

# B.C. Cannabis Regulation Engagement: Stakeholder Submissions

## PART 3 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 3

hmbldt  
IBM Canada  
Insurance Bureau of Canada Insurance Corporation of BC (ICBC)  
Kootenay Outdoor Producer Co-op  
Lake Cowichan First Nation  
Medicinal Cannabis Resource Centre Inc.  
Landlord BC  
Levity Solutions  
Manufactured Home Park Owners Alliance of BC  
Marpole Business Association  
Medicinal Cannabis Resource Centre Inc.  
Merrco  
MMJ Canada  
National Access Cannabis  
National Association of Cannabis  
Professionals  
National Institute for Cannabis Health and  
Education (NICHE)  
Neighbourhood Pharmacy Association of Canada  
NextGenBio  
North Shore Standing Committee on  
Substance Abuse  
Northern Health Medical Health Officers  
Nuuvera Corp.  
Office of the Representative for Children  
and Youth for British Columbia  
Pain BC  
Peace River Regional District  
Pineapple Express Cannabis Dispensary  
Powell River Regional District  
Prevent Cancer Now  
Privateer Holdings  
RavenQuest BioMed Inc.  
Regional District of Central Kootenay  
Resort Municipality of Whistler  
Responsible Marijuana Retail Alliance of BC  
Richmond FarmWatch  
Rubicon Holdings Inc.  
Rural Agency Store Advisory Society (RASAS)  
School District 42 Board of  
Education, Maple Ridge and Pitt Meadows  
School District 81 (Fort Nelson)  
Smart Approaches to Marijuana Canada  
Squamish-Lillooet Regional District

Starbuds Medical Access Centers  
Tantalus Labs  
The Internet Dispensary  
The Kootenay's Medicine Tree Inc.  
Tilray  
Tk'emlups te Secwepemc  
Token Naturals Ltd.  
Tousaw Law Corporation  
Town of Oliver  
Town of View Royal  
Township of Langley  
Trees Dispensary  
True Leaf Medicine International Vancouver Coastal Health Medical Health Officers  
Village of Cumberland  
Village of Midway  
Western Convenience Stores Association Yuułu?it?ath Government

November 1, 2017

Lisa Anderson  
Executive Director  
Cannabis Legalization and Regulation Secretariat  
Ministry of Public Safety and Solicitor General  
Victoria, BC

Dear Cannabis Secretariat,

We thank you for the opportunity to comment on British Columbia's provincial cannabis regulatory system and offer our scientific evidence as to why dose control and quality standards for all cannabis-based vaping products will provide enhanced safety for British Columbians and should be included in your regulations.

## Introduction

hmbldt is a cannabis-based health and wellness company focused on providing safe, targeted and effective solutions for some of the most common ailments people face today. We have developed proprietary dosage technology and engineered unique blends of the active ingredients found in cannabis to maximize their health benefits. In 2016, Time Magazine named hmbldt as one of the best inventions of the year and heralded that hmbldt has made "cannabis that could replace pills."

We are safety obsessed and prioritize our patients' health and safety above all else. We support that vaporizer products should only be accessible to adult consumers in a safely regulated way.

We believe that your provincial cannabis regulatory system will provide a unique opportunity to expand the safety regulations and control to cannabis-based vaporizer products. We ask that you consider expanded measures to safely regulate this growing industry. This should include calling for all devices meant for cannabis vaporization to meet quality standards and have appropriate regulations covering temperature and dose control.

We understand that Federal Bill S-5 and Bill C-45, *An Act respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and other Acts*, will intersect and affect provincial regulations as Canada moves to pass legislation legalizing recreational use of cannabis in 2018. This is why dose control and quality standards must be addressed and regulated provincially to ensure the health and safety of all British Columbians.

## Our Device – the dose pen

Vaporization is one of the most effective mechanisms for delivering the active ingredients found in cannabis. But, not all vaporizers are created equal. Most were designed for tobacco and are commonly referred to as "e-cigarettes."



Most e-cigarettes' heating elements are uncontrolled and will "burn off" the active ingredients found in cannabis. To properly activate the healing compounds in cannabis, a vaporizer must have a controlled heat ramp and not exceed 232°C. Further, e-cigarettes were not designed to properly or safely contain and control cannabis oil, including the materials that make up the reservoirs that hold the oil.

The hmbldt dose pen was designed specifically for activating the healing compounds found in cannabis - it features a controlled heat ramp that slowly activates hmbldt's formulas ensuring our patients get the broadest spectrum of the healing compounds found in the plant. The dose pen also uses a leak proof tank that ensures the oil remains safe and won't ever unintentionally be released.

To further ensure the effectiveness and safety of the hmbldt dose pen, we have used medical grade components and a custom lithium-ion battery that is designed to specifically deliver the full amount of doses of our engineered formulas specified for the device.

We are proud of our innovative technology: the hmbldt dose pen is designed to deliver a precise dose each and every time. When activated, a microprocessor controls heat ramp and timing to ensure a patient receives a controlled and consistent dose (see Appendix A). A patient is notified of a complete dose by a slight vibration. This ensures our patients will have a controlled, predictable and safe experience with cannabis-based therapy.

In addition to our dose pen technology, our scientists have successfully developed precise formulations that deliver the targeted benefits of major and minor cannabinoids and terpenes found in cannabis. Our formulas are engineered to take the guesswork out of cannabis – creating predictable and targeted solutions. Each batch includes the same blend to deliver a consistent experience every time. To ensure the quality, consistency and safety of our formulations, we test four times throughout processing and make the results from each batch available on our website (see Appendix B). While many formulations for vaporizers use propylene glycol (PG), vegetable glycerine (VG), polyethylene glycol (PEG), or medium chain triglyceride coconut oil (MCT Oil), to properly deliver their formulations, hmbldt products are specifically designed to only include distilled cannabis oils and plant derived terpenes.

## **Safety**

Long before cannabis became a recreational tool or a black market product, it was a critical health tool. We are dedicated to correcting decades of misinformation and mistrust regarding cannabis by creating products that are safe, targeted and effective. We know it will not be a quick or easy process – which is why we are committed to transparency in the provinces and countries we look to do business with.

As a health and wellness company, we have become the first and only complete delivery device with targeted cannabis-based formulas and precise dosages, temperature controls and a strong emphasis on consumer safety and medical grade components. The effects of cannabis can be unpredictable and can vary from person to person and brand to brand. Earning and keeping our consumers' trust is crucial. We create medical grade products with specific dosages and usage guidelines all supported with world class customer support and a quality guarantee.

We provide the benefits of cannabis without any fear of unexpected impairment or an unpredictable or unwanted experience. We are eager to work with the province to offer this experience by regulating dose control measures and ensuring quality standards for all vaporizer products.

Our scientific aesthetic signals safety, efficacy and premium quality through medical grade products, temperature control and guaranteed dosing measures. Our minimal and functional branding and packaging is meant only for adults. Cannabis is a therapeutic tool. We take every measure to ensure its use and design are not appealing to children.

## **Request**

We thank you for this opportunity and ask that you please consider provincial regulations that are inclusive towards cannabis vaporizers and allow for our science and innovation to best serve British Columbians who are taking charge of their health, safety and well-being.

Specifically, we have two requests:

### **1. Cannabis-based vaping products should require dose control mechanisms for high THC formulations.**

Like all regulated products, the cannabis vaping industry should adhere to strict dose control measures with high THC concentration levels. Our research indicates that personal safety is a major concern for British Columbians who are either involved in, or considering, the cannabis vaping industry and vaporizer products.

While cigarettes and tobacco products have clearly defined nicotine levels, we ask that the Government of British Columbia similarly regulate dose control for all high THC vaping products for cannabis vaporization devices. This will safely guarantee British Columbians a consistent and controlled vaping experience for cannabis and other plant derived products.

### **2. Quality standards and transparency for all cannabis-based vaporization devices.**

This is a simple, yet effective request. Quality standards for all cannabis-based vaporization devices will guarantee high industry standards and ensure additional safety for British Columbians.

Requiring quality standards will legitimize the cannabis-based vaporizer industry and guarantee that only the highest quality products reach market – guaranteeing additional safety measures for British Columbians.

## **Conclusion**

hmbldt is leading the way in creating a new kind of company that will be the most transparent brand in cannabis. We will help adults understand how to, and when to, use our products to make their lives better and help in explaining the role of the endocannabinoid system.

Our commitment is to give back and exceed all provincial and federal regulations. We will create trust by being transparent, safe and committed to keeping cannabis out of the hands of children.

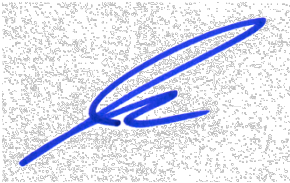
Our request is that, when finalizing provincial regulations, you consider what is required for today – and tomorrow’s – innovation. We ask that you consider safe measures to keep such products away from children. We also ask that you consider safe measures for cannabis vaporizers. The solutions to these challenges are simple: dose control and quality standards for all cannabis vaporization products.

We look forward to being welcomed in British Columbia. Through our proven and proprietary science and innovation, we look forward to working with the Government of British Columbia to ensure that as Canadian legislation and provincial regulations evolve, we can be part of a positive, proactive solution that meets our government’s goals.

Please contact me for further discussion. I look forward to hearing from you to set a time to showcase our innovation and illustrate, through science, how dose control and quality standards for all cannabis vaporizers will offer adult British Columbians an accessible and enhanced level of safety that provincial regulations have not considered.

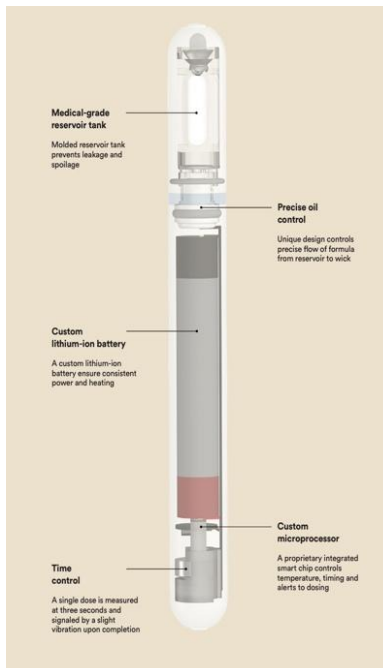
Sincerely,

Josh



Josh Campbell  
President – Canada  
hmbldt

## Appendix A



## Appendix B

### Formula Processing and Development



Delivering health & happiness is driven by science. We utilize a 12 step manufacturing process to ensure quality and safety. Science can be a little confusing at times, so here's a guide to help you understand our journey from plant to pen.

#### Phase 1 Harvest & extraction



**Cultivation & Harvest**  
Where good can only come from good, we grow our cannabis plants in the heart of Colorado, where the sun and soil are perfect for growing the highest quality cannabis.



**Extraction Processing**  
Our method is simple, the only one that works. We use CO2 and ethanol to extract the healing compounds and oils from the plant.



**Test 1 (our primary extraction)**  
Our quality control team tests in the process to ensure our products, oils and cannabis extracts, as well as a detailed chemical analysis and potency within each batch.

#### Phase 2 Purify concentrate



**Winterization**  
Winterization is the process by which we freeze the extract allowing us to separate it. In order to remove any unwanted plant matter like oils or waxes, we separate our extracts to leave the highest quality oil, but also leave behind the compounds of each batch.



**Fractional Distillation**  
Next, we distill the extraction to separate out the CBD, THC and other key cannabinoids. This not only ensures the highest quality oil, but also helps maintain the consistency of each batch.



**Test 2 (our fractional distillation)**  
Then we test again. Better to double check and breathe easy knowing our product is safe and perfectly fine.

#### Phase 3 Blend formulation



**Concentrated Cannabis Extract**  
At this point, most of the heavy lifting is done. With our state-of-the-art, innovative extraction technology, we're able to produce the highest quality oil, but also leave behind the compounds of each batch.



**Precision Need State Formulation**  
Each of our formulas are identical. Our science and know-how, our cannabinoids and terpenes affect our bodies, ensuring that each batch of each formula is exactly the same for consistently great experiences.



**Test 3 (our formulation)**  
Now that our formulas are identical, it's time for our third test. Before filling our pens, each formula is tested to guarantee our concentration and quality. Our formulas are identical, perfectly.

#### Phase 4 Assemble & deliver



**Concentrated Cannabis Extract**  
Now, we spend a lot of time perfecting our formulas. For our perfect product, we use a lot of time crafting the perfect result. Each of our proprietary, tested formulas are identical and we ensure each pen is perfectly assembled to deliver the perfect dose each time.



**Test (our production batch testing)**  
For our final production test, we put sample pens of our finished product through testing. The formulas are pure and consistent. We ensure each batch of each formula is exactly the same for consistently great experiences.



**Delivery**  
Now to the finishing touches. After we've packaged our pens, we send it to the store to help you live with health and happiness.



# **BlockChain: An Irrefutable Chain of Custody Audit for the Seed to Sale of Cannabis in BC**

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Document Date: November 1, 2017



## Opportunity

IBM welcomes the opportunity to provide some feedback to the BC Government as it prepares its regulatory framework in support of the legal distribution of cannabis and cannabis by-products in the Province of British Columbia. IBM has deep learnings from a wide variety of public and private supply chain implementations leveraging a variety of technologies. We will focus on the use of Blockchain as a technology to enhance the overall chain of custody.

## Advice for Consideration

IBM suggests Blockchain<sup>1</sup> is an ideal mechanism in which BC can transparently capture the history of cannabis through the entire supply chain, ultimately ensuring consumer safety while exerting regulatory control – from seed to sale.

Blockchain is a highly effective trust mechanism which uses a cryptographically-secure shared ledger to irrefutably track complex transactions amongst many known parties. Its key attributes:

- It is **distributed**: no central system brokers transactions, instead each party in the business network is provided its own ledger copy showing all transactions, so truth is shared by design;
- It is **immutable**: cryptography ensures that transactions (blocks) once entered into the ledger (chained) can never be altered, so transactions are secure; and
- It is **transparent**: all shared ledgers across the business network hold all transactions of all parties within the network, ensuring consensus.

Blockchain is rapidly becoming a world leading technology enabling the assured exchange of value in both digital and tangible assets, while protecting privacy and eliminating fraud. Its relevance to regulating cannabis is similar to its many chain of custody applications in areas such as pharmaceutical distribution and food chains. The core to those supply chains is the same, assuring health and safety of consumers, preventing fraud and counterfeiting while creating a foundation of transparency upon which to base regulation.

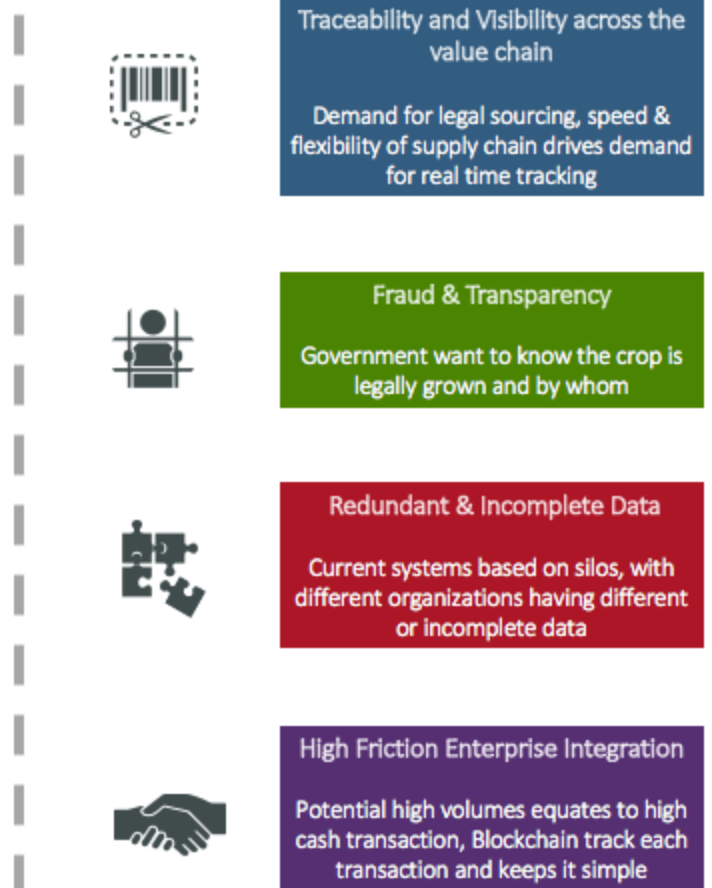
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<sup>1</sup> Blockchain as defined by Wikipedia - <https://en.wikipedia.org/wiki/Blockchain>



The simple straight forward design of a Blockchain system is what is causing it to become one of this decade's technical disruptors. Governments like British Columbia are beginning to understand the potential benefits and realize the rate of speed and cost effectiveness in which Blockchain systems can be delivered, particularly in areas like supply chains<sup>2</sup>.

- By having one set of books (distributed ledger) governments quickly see the benefits of greater visibility, which in turn leads to optimization, improved reconciliation, greater auditability and regulatory compliance.
- Consumer assurance is improved through provenance and traceability of products throughout the cannabis supply chain, and if poor product does enter the system, the controls, methods and ability to quickly identify its' path is in place.
- Complex systems design and architecture are not needed. All participants within the trusted network will have access to their own copy of the BlockChain ledger and no net new information system or complex interfaces are needed to be created as the network serves as the single source of truth.



Blockchain further differentiates by addressing requirements for both product traceability and identity management.

The Blockchain shared ledger is updated and validated in **real time** with each network participant. This enables equal visibility of activities and reveals where an asset/product is at any point in time, who owns it and what condition or state it is in. This type of transparency would bring a new level of visibility and control to the provincial regulators and provide assurance to the multitude of cautious stakeholders regarding the way the management of a cannabis supply chain is rolled out within British Columbia.

<sup>2</sup> Blockchain in supply chains - <https://www.ibm.com/blockchain/supply-chain/>



## Value Proposition

In summary, there are a number of potential benefits for each value chain participant:



*BC Government:* Blockchain can help the Provincial Government take control of sourcing, selling and pricing of products, therefore can reduce or eliminate black market sales completely.



*Producers:* Blockchain can assist producers with real-time inventory management, greater projections of supply and demand, and also elicit trends of consumption through data analytics.



*Retailers:* Although the Government of BC hasn't confirmed its what end user distribution model will be used, we anticipate that it is likely that government itself will play a role in that process. An interconnected Blockchain network can assist retailers identify supply/demand gaps ways to mitigate those gaps, providing feedback mechanisms to producers, and use data to create predictive insights.







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October 10, 2017

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,

Thank you for the invitation to provide input in this process. For more than a year, ICBC has been working closely with RoadSafetyBC and other stakeholders across the country, on the issue of drug-impaired driving. Your discussion paper does an excellent job of describing the issue facing British Columbia, accurately describing the road safety risk presented by legalization of cannabis and proposing sensible steps to address that risk.

As you know, ICBC has been experiencing a 20,000 increase in crashes annually over the last four years, with 320,000 crashes occurring just last year, which has put enormous pressure on insurance rates for our customers. ICBC is focused on supporting the province in reducing the number of crashes to keep our roads and communities safe as well mitigate additional pressure on those rates.

ICBC agrees that drug-impaired driving is already a problem in British Columbia. Between 2011 and 2015, an average of 510 drug-impaired drivers were involved in police-reported crashes, although that number is almost certainly affected by underreporting. There are multiple reasons for this underreporting. One key reason is poly-drug use, especially the combination of alcohol with other drugs, and especially with cannabis. Because there are immediate consequences for drivers with more than .05 BAC, there is often little reason to look for evidence of other impairing substances, which are currently difficult to detect.

In a roadside survey conducted in 2012, the drug most commonly used by B.C. drivers (excluding alcohol) was cannabis, followed by cocaine. The age group most likely to have consumed drugs (including, but not limited to cannabis) prior to driving was 35 to 44 year olds, followed by drivers aged 19 to 24, and those aged 45 to 54. Drivers aged 16 to 18 had the lowest incidence of positive drug tests. The roadside survey did not, with the exception of alcohol, determine impairment, but only whether or not drugs were present. As noted in your discussion paper, THC (the active ingredient in cannabis) can remain in a person's blood, or other bodily fluids, well beyond the end of impairment.



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ICBC looks forward to working with the province and health researchers on a follow-up to that 2012 roadside survey, which will demonstrate how the issue is trending in the wake of the federal government's announcement of its intention to legalize cannabis. Ongoing research, and continued data collection and analysis will be vital to better understanding the scope of this issue and finding solutions to address it.

A survey of British Columbians conducted in 2016 by Insights West on behalf of ICBC found that roughly two-thirds of respondents (68%) were concerned about the effects of the legalization of marijuana on road safety. It remains to be seen to what extent the legalization of cannabis will affect impaired driving and crash rates.

The Insights West survey also found that a vast majority of British Columbians (93%) believe that driving while high on cannabis is somewhat or very risky. British Columbians generally place that risk, however, on par the risk of using a phone while driving, and lower than driving after consuming alcohol and/or other drugs.

The academic literature supports the assessment that there is greater crash risk involved with driving under the influence of alcohol, or a combination of alcohol with other drugs. While the crash risk may be lower, though, it is still significant, and cannot be ignored.

Studies also indicate that other types of drugs, some of them perhaps less prevalent on our roads, may be significantly more impairing than cannabis. This includes not only recreational drugs, but some prescription medications as well. What is needed is a strategy that will address drug impairment generally, and not focus solely on impairment resulting from use of cannabis. The strategy outlined in your discussion paper addresses this need.

When developing a strategy to address driver behaviour, it is important to ensure that effective legislation with meaningful penalties is combined with strong enforcement and public education. The options outlined in the government's discussion paper appear to address each of these three pillars. ICBC can be counted on to support government legislation and police enforcement with public education about the risks and consequences of drug-impaired driving.



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ICBC is supportive of all the measures identified in the discussion paper, and we look forward to working with government and police to address the issue of drug-impaired driving leading up to and following legalization of cannabis.

Regards,

A handwritten signature in black ink, appearing to read "L. Matthews".

Lindsay Matthews  
Director, Stakeholder Governance & Communications

CC

Mark Blucher  
President & CEO  
ICBC

Sam MacLeod  
Superintendent of Motor Vehicles  
Office of the Superintendent of Motor Vehicles

October 25, 2017

BC Cannabis Regulation Engagement  
Cannabis Legalization Secretariat  
Ministry of Public Safety and Solicitor General  
PO Box 9010 Stn Prov Govt  
Victoria, BC V8W 9E2

On behalf of Insurance Bureau of Canada (IBC) and its member companies, I want to provide you with the property and casualty insurance industry's views on the British Columbia government consultation on cannabis legalization.

The legalization of recreational cannabis is imminent, with numerous public opinion surveys indicating that Canadians are largely in favour of legalization. The federal government intends to delegate to the provinces and territories the responsibility for establishing frameworks to regulate several components of cannabis legalization. As provinces begin to consider their mandate, IBC and its members would like to ensure, among other things that a strong public education component along with proper deterrence and detection measures are in place concerning its general use and cannabis-related impaired driving.

### **Public Education Campaign**

Public education campaigns that emphasize risks associated with drug-impaired driving and that advocate preventive measures, as is the case for drinking and driving, can complement the imposing of penalties and convictions for offending drivers. As has been true of other controlled substances, education is a crucial element of a comprehensive public safety and awareness framework that can inform people of the risks associated with cannabis consumption.

In New Brunswick, the government has proposed a comprehensive cannabis legalization framework that includes a public education component. In addition to prioritizing responsible use awareness among the public, the province is proposing investments in targeted education and awareness focused on specific groups of people who are at greatest risk of harm. The British Columbia government should consider doing the same and include a public awareness campaign on cannabis-related driving impairment as part of the larger educational initiative.

### **Cannabis-Related Impaired Driving**

IBC believes that appropriate penalties should exist to discourage all forms of impaired driving so that legalization of cannabis does not increase the likelihood of cannabis-related impaired driving. Several studies have demonstrated that drivers with THC in their blood were nearly twice as likely to be involved in a collision resulting in serious injury or death. This observation is

backed by the National Institute on Drug Abuse in the U.S. which has stated that cannabis significantly impairs judgment, motor coordination and reaction time, and therefore impairs driving ability. In Colorado, where recreational cannabis was legalized in January 2014, cannabis-related traffic deaths accounted for 20% of all traffic deaths in 2014 compared to 10% five years earlier.

In Manitoba, the *Cannabis Harm Prevention Act (Various Acts Amended)* includes provisions with respect to the use and operation of motor vehicles and the possession of cannabis. Specifically, when it comes into force, it will amend the *Highway Traffic Act* to do the following:

- Create restrictions on transportation of cannabis in motorized vehicles;
- Prohibit the consumption of cannabis in motorized vehicles on a highway; and
- Allow a peace officer to issue a 24-hour driving suspension to person(s) believed on reasonable grounds to be under the influence of a drug, and therefore unable to safely operate a motor vehicle, vessel, aircraft or railway equipment.

Similar provisions are made under the *Cannabis Harm Prevention Act (Various Acts Amended)* to amend the *Off-Road Vehicles Act* to restrict the transportation and use of cannabis for off-road vehicles. The government of British Columbia should consider similar amendments.

Provisions exist in regulations under provincial *Insurance Act(s)* and highway traffic legislation pertaining to alcohol impairment and operation of a motorized vehicle. IBC recommends that these provisions be reviewed to include impairment by cannabis (alone and in combination with other intoxicants) and reflect proposed changes in *Bill C-46, An Act to Amend the Criminal Code*.

As mentioned in the consultation document, the federal government has tabled *An Act to Amend the Criminal Code* (Bill C-46) which creates new offences for cannabis-related impaired driving and strengthen the approach of the Criminal Code to impaired driving for alcohol and cannabis. However, detection will be essential for the enforcement of impaired driving laws. Recently, Public Safety Canada, the RCMP and the Canadian Council of Motor Transport Administrators successfully concluded a pilot to test the use of oral fluid drug screening devices as tools to enhance the enforcement of drug-impaired driving. The British Columbia government and law enforcement agencies must commit to testing the use of similar device, and training law enforcement personnel to detect drug-related driving impairment. Without accurate tools to detect and measure drug impairment, enforcement will be a struggle. A study by the U.S. National Highway Traffic Safety Administration found that between 2007 and 2014, the number of drivers with cannabis found in their system grew by nearly 50%, from 8.6% to 12.6%. However, this might be attributable to law enforcement personal in the U.S. being better trained in detecting cannabis-impaired driving.

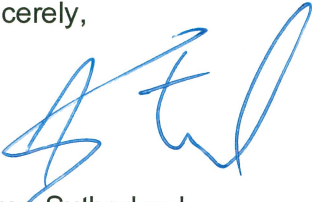
There are other issues the government can consider. In New Brunswick, for example, the committee leading the consultation proposed regulating the cultivation of cannabis for personal use through such measures as affirming the rights of landlords to prohibit the practice in rented



properties. IBC is in the process of consulting members on the broader implications of legalizing cannabis. We will advise the government should those consultations produce additional industry positions.

We hope this commentary helps the Ministry as it moves forward with planning for the legalization of cannabis in British Columbia. IBC welcomes the opportunity to provide additional information and meet with you and your team to discuss these priorities and others at your convenience. We look forward to working with your office and the Ministry as progress on this file moves forward.

Sincerely,

A handwritten signature in blue ink, appearing to read 'AS', is positioned above the printed name.

Aaron Sutherland

October 31, 2017

Ministry of Public Safety and Solicitor General  
Attn: Cannabis Legalization and Regulation Secretariat  
PO Box 9285 Stn Prov Govt  
Victoria BC V8W 9J7

Sent by email: [cannabis.secretariat@gov.bc.ca](mailto:cannabis.secretariat@gov.bc.ca)

Dear Secretariat Members

Thank you for the invitation to offer our input on the legalization of non-medical cannabis as a stakeholder through the BC Cannabis Regulation Engagement. The Kootenay Outdoor Producer Co-op looks to drive regional economic development through the production of 'organic outdoor' cannabis on underutilized local farms for the coming recreational cannabis market. Our crop will be processed, cured and distributed from a secure, centrally located facility in the Central Kootenay. Our board and membership are committed to a safe and fully compliant cannabis business. We are entirely in favour of an industry that is fairly taxed, implements strict security protocols and utilizes a robust product tracking system.

We believe that the legalization of recreational cannabis in BC can be a phenomenal success if the Province supports our co-op model for outdoor production by lobbying the federal government to eliminate any obstacles to our licensing that may arise in the regulations.

## **Recommendations**

### **1) Distribution:**

Our preference is for a distribution system that allows licensed producers to sell in 3 ways: directly to the public, via on-line sales; directly to local retail outlets; and into a centralized provincial distribution association.

### **2) Retail:**

We would like to see a robust non-medical retail environment that offers choice and safety for the consumer and believe a combination of on-line sales by producers and retail sales by both private and provincial run, stand alone retail outlets would best accomplish this. We support in-store and on-line branding to distinguish our organically grown BC outdoor cannabis from the factory producers. We would also like to see a designation for BC Organic Outdoor Cannabis similar to the Vinters Quality Assurance (VQA) designation used for retail wine sales.

We welcome the opportunity to work with the Province to develop a secure Know Your Customer (KYC) Protocol that will allow for secure on-line ordering and mail delivery, and that is specifically developed to keep cannabis out of the hands of youth.

### **3) Let's choose food production over non-medical cannabis production:**

We support municipalities like Delta and Richmond in their concern over the conversion of existing food producing agricultural infrastructure (greenhouses) into non-medical cannabis production facilities. We have thousands of underutilized farms on which outdoor cannabis can easily be grown.

4) Support a made in BC Outdoor Cannabis Industry:

It is time that the production of BC Bud came out of the closet and back into the sunshine where it belongs. Above all, cannabis is a plant and, as such, is best grown outdoors. Our unique provincial climate is well suited for its production and we have a home grown and knowledgeable workforce that would prefer to come out of the closet with it. Support from the province via funding, education and research would go a long way towards helping to make legal outdoor cannabis the largest cash crop in BC (as its illegal cousin has been for decades).

**The Kootenay Outdoor Producer Co-op**

Our on-small-farm co-operative business model is superior to the corporate warehouse model in every way, and an important contributor to a healthy rural agricultural economy. We will provide new income for small rural farms, create well paying jobs for hundreds of local workers, and support community economic development through profit-sharing and local sourcing.

Growing cannabis outdoors is simply better. We'll use the sun, wind and rain to produce a desirable 'green' product with naturally lower levels of THC, using less energy and water, and without the use of harmful agrochemicals. Organic outdoor cannabis is a better choice for the environment, the worker, the consumer and BC.

By centralizing the nursery, processing, inventory and sales functions, our co-op will gain efficiencies that will allow us to compete with bigger players in the new cannabis industry. These economies of scale can create regulatory efficiencies as well: our robust internal quality and control procedures will ensure all our farms, facilities and processes are operated in full compliance with applicable laws and regulations - and it will be more efficient for regulators to oversee one organized co-op rather than a dozen or more small producers.

We are, so far, 150 members representing 35 regional communities, with broad-based support from politicians, business people and community representatives. We believe, here in the Kootenays, that the licensing of our co-op would be the best approach to stifle the thriving local black market. We will also put our resources and energy toward youth education and prevention programs, keeping cannabis out of the hands of children. We have inscribed our commitment to both these values in our co-op rules. We also support clear separation of the recreational and medical cannabis businesses. We don't want to be producers of medicine; we want to produce cannabis for the recreational market. We believe these are two very different products, and that there ought to be different production and distribution standards for each.

We appreciate having the opportunity to offer you this information. As the federal government rolls out their proposed regulations, we will scrutinize them carefully to make sure that they don't accidentally exclude our business model. So we may need your support in the coming weeks as regulations governing this new industry develop. Help us ensure that our made-in-BC co-op business model is given a chance to flourish alongside the big players in corporate cannabis.

Sincerely

 V.P.

**Kootenay Outdoor Producer Co-op**

Todd Veri, President

Tom Smith, Vice-President





LAKE COWICHAN FIRST NATION  
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November 1<sup>st</sup>, 2017

Ministry of Public Safety and Solicitor General  
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PO Box 9285 Stn Prov Govt  
Victoria, BC B8W 9J7

**Re: Submission regarding non-medical cannabis legalization and regulation from Lake Cowichan First Nation**

Dear Mike Farnworth,

Below is a submission from Lake Cowichan First Nation regarding our perspectives on the regulation of non-medical cannabis. This topic is very important to Lake Cowichan First Nation since it has implications for community economic development and for the health and wellness of our members on- and off-reserve. This submission should not be considered as completing obligations for consultation on this topic. We require the Province of British Columbia (B.C.) to strike a steering committee of First Nations to provide input on Provincial regulations and the roles that First Nations in B.C. will take in the recreational cannabis industry. Further, Lake Cowichan First Nation specifically requires full engagement on all levels of the new legislation regarding the legalization of non-medical cannabis. This includes, but is not limited to, all opportunities that come with jurisdiction, such as growing and retail licenses, criminalization and taxation.

The B.C. Provincial government's approach to regulation of recreational cannabis is to focus on protecting young people, making health and safety a priority, keeping cannabis out of the hands of criminals and keeping roads safe. While Lake Cowichan First Nation supports these priorities, we also see the need for the regulation to support community economic development and reconciliation with First Nations.

Lake Cowichan First Nation is small, but it has an economic development vision to "build a solid foundation for our current and future generations to grow and prosper while acknowledging our culture and heritage". The economic development goal of LCFN is to "provide opportunity, employment, and the means to become economically self sufficient through sustainable economic development".

Participating in the economy that will develop with the legalization of recreational cannabis can be very beneficial to our membership if it is done with care.

**Issue:** When the Federal government legalizes recreational cannabis use in Canada by July 2018, the Province of B.C., First Nations reserves and B.C. municipalities will need to be ready with strategies to regulate its production, sale and use within their jurisdictions.

Some of the major issues that Lake Cowichan Nation is interested in seeking input on include:

- *Personal Cultivation:* Bill C-45 allows adults to grow up to 4 cannabis plants per household. B.C. may require cultivators to notify local authorities if they are undertaking personal cultivation and they may also need to show that the plants are not accessible to children. We would not support a public list of personal cultivators and we would want to be involved in restorative justice options if on-reserve members are found not to be adhering to the laws.
- *Distribution:* Here are our comments on the three distribution models being considered:
  - Government: licensed producers would send cannabis to a government distributor who would fill orders from cannabis retailers. This model would require a lot of up-front investment in a storage space and in workers to run the system and this would need to be done in a short period of time. It seems unlikely that such a system would be able to be set up and ready to meet demand before finalization of legalization. Further, we would be concerned about the ability of small producers to get their product sold through this scheme since government distributors may overlook smaller-scale producers or those with less financial backing for lobbying the availability of their products. If this model were chosen, B.C. should implement a rule that a minimum percentage of products available are from First Nations cultivators.
  - Private: one or more private businesses could be responsible for the physical warehousing and distribution of cannabis. Government oversight would be required to license, track and report requirements and conduct audits and inspections. This is a model currently used in Alberta's alcohol distribution, where retail is private. It provides an economic opportunity for a, or several, business(es) with expertise in warehousing and distribution. But to work properly, the government needs to impose rules regarding sales. For instance, the Province of B.C. could ensure that distributors do not offer discounts based on volume since this would drive up the costs for small retailers and give large retailers an unfair advantage.
  - Direct: federally licensed producers would distribute their own products directly to retailers. This seems like a good option for cultivators in small, remote communities as it could cut down on shipping and transportation costs if their product could be sold locally by retailers. This should be an option in remote locations. Further, First Nations cultivators could be provided with capacity funding to ensure that they are also able to market and sell their product on-line. Rules regarding public marketing of cannabis (e.g. billboards, t.v. commercials, magazine adds, etc.) would have to be considered.
- *Retail:* Below are our comments regarding the retail systems that B.C. is considering:
  - Establish a public or private retail system (or mix of both), as currently exists for alcohol sales in B.C. This model, often referred to as the "liquor store" model, needs investment



in retail infrastructure in places where dispensaries do not currently exist. Existing illegal dispensaries can transition into legal ones. Our concerns about this model are as follows:

- Ontario has signaled that they will sell cannabis in a system similar to how they sell alcohol (only in publicly owned dispensaries). In Ontario, there are a low number of government alcohol stores that are found only in larger communities. This type of retail system will not be fair for buyers from smaller and remote communities, nor will it allow for economic development in First Nations communities.
- Although Lake Cowichan First Nation would prefer the B.C. alcohol distribution retail system where a mix of private and public retail systems exist, there are not often liquor stores on reserve and setting up infrastructure for appropriately licenced retail space may be challenging in the short time frame. This would then encourage black market sales, which the Province has noted that they want to avoid. We do not want to see our membership targeted as criminals for providing access to legal product so if this retail model is chosen, time must be spent working with First Nations communities to come up with specific measures for incremental implementation and enforcement while appropriate infrastructure is developed.
- Private retailers will likely provide easier and more convenient access, but Alberta's experience with privatization of liquor sales has shown us that buyers will pay more for product (especially in more remote communities) and the government will generate lower revenue from wholesale markup. We would like to see very strong revenue generation with profits going to support First Nations' health and wellness initiatives in their communities.
- The government should enact a rule that retailers cannot receive volume discounts as those would promote big chain businesses and be counter-productive to developing economic opportunities on-reserves.
- Require that cannabis be sold in dedicated storefronts, or sold out of existing businesses such as liquor stores or pharmacies.
  - Sales of cannabis should be controlled as to ensure that youth do not have easy access, and that the products are safe for consumption. But the Province has to ensure that interested retailers can afford to meet the requirements, even in small communities where the volumes of sales may be small.
- Establish a direct-to-consumer mail-order system.
  - This should be an option since it best meets the needs in remote communities. It would be implemented in conjunction with other options listed above.
- *Licensing:* Licensed producers and retailers must undergo a strict (and sometimes expensive) procedure. This has stalled some medical cannabis producers, though Health Canada is attempting to streamline the process. B.C. did not discuss licensing directly in its Discussion Paper nor is it seeking public input on this topic at this time. The LCFN would be interested in providing input on this topic to ensure that the scheme is not so difficult or costly as to exclude and criminalize small entrepreneurs.

- *Economic Opportunities:* Many First Nations in Canada are considering the economic development opportunities associated with legalization of recreational use of cannabis. Businesses have been approaching Indigenous communities across Canada to enter into joint-ventures that allow communities lower risk investments and capacity building. Furthermore, some First Nations also have other interests in joining the cannabis economy. For some, they hope to grow “safer” strains than is available on the black market in order to provide appropriate products to their membership and perhaps provide tourism opportunities. Other First Nations groups in Canada have invested in distribution businesses, or non-reserve production businesses. The Province of B.C. should be aware of First Nations’ interests and strike a steering committee to help properly roll out implementation that does not suffocate opportunities.
- *Concerns:*
  - Some First Nations in B.C. have voiced concerns about the effects of recreational use of cannabis on their membership and youth. They fear that First Nations investing in cannabis will exacerbate the vulnerability of their populations to substance abuse. Some have already banned sale and use on reserve lands, at least until more community consultation can be realized. The Province of B.C. should be aware of these concerns and work with local First Nations to ensure that their concerns are addressed.
  - Products that are legally distributed should adhere to government-set health standards, such as a maximum THC level.

The legalization of recreational cannabis can have many implications to First Nations and non-First Nations communities. Below are some examples of how legalization may impact health and community wellness in First Nations communities.

- It may provide an opportunity for elders and other community members to discuss proper use of cannabis for medicinal, ceremonial and educational purposes.
- Like tobacco, cannabis was used traditionally by Canadian Indigenous peoples but more dangerous variations of the original product are available on the (black) market.
- Youth may be provided with easier access to a product that can be used destructively. Canada-wide statistics show that a much higher proportion of First Nations adults and teens smoke cigarettes than non-First Nations.
- Improper regulation planning may lead to higher rates of criminalization of First Nations peoples. For instance, Harper’s Bill C-10 “Tackling Contraband Tobacco Act” showed a heavy-handed approach to enforcement and criminalization of activities that First Nations were very involved in (illegal growing and sales of tobacco).

With many prominent First Nations leaders in Canada supporting legalization and the role of First Nations in investing, operating and participating in the economic opportunities related to the emerging cannabis industry, it is obvious that there is a potential for cannabis to become an economic foundation for some First Nations communities. With proper consultation about regulation, this potential could be celebrated and fostered. First Nations communities should be engaged in discussions such as



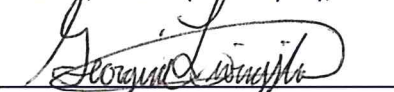
- Depending on the distribution scheme chosen, how to ensure that First Nations have “legal” access to cannabis even in remote areas?
- The Province may agree to sell a certain minimum share of First Nations’ grown cannabis product in stores.
- On-reserve sales could collect a shared “tax” that supports health and wellness in the community.
- An acceptable justice system may be developed to deal with illegal sales. Instead of prison time, stiff fines and mandatory minimums, illegal dealers on reserve may be dealt with in a manner decided by the community (this may include counselling, community service, financially supporting health and wellness programs, etc. ...)

The B.C. Provincial Government should take time to properly consult with First Nations about distribution systems for recreational cannabis and consider methods to encourage buy-in for on-reserve cultivators and retailers. If not, the legalization may result in further criminalization of First Nations peoples in British Columbia. Further, we have seen in tobacco, illegal products are often cheaper and marketed towards youth, which undermines Provincial health initiatives, reduces Provincial tax revenue, and may be laced with unsafe chemicals. The Province and the Federal government needs to ensure that regulations keep communities safe.

### **Conclusion**

Lake Cowichan First Nation has interests in the recreational cannabis industry and its implications to health and wellness, economic development and reconciliation with the provincial and federal government. Further engagement should be undertaken in the coming months regarding all issues associated with jurisdiction, such as growing and retail licenses, criminalization and taxation.

Klecko, klecko (Thank you),




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Georgina Livingstone  
Chief Coucillor



## A Submission to the Cannabis Legalization and Regulation Secretariat of BC

LandlordBC is the professional industry association representing owners and managers of rental housing in British Columbia. The rental housing industry provides homes for 30% of BC households in over 500,000 units of rental housing. Our constituents include owners and managers of multi-unit residential buildings (purpose-built rental apartments and rental units in strata/condominium dwellings), single unit providers (basement suites) and, owners and managers of rented single-family homes.

We are concerned about the negative impact the consumption and growing of **recreational** marijuana will have on the above noted forms of rental housing and, especially concerned about the negative impact within multi-unit residential buildings. It is our view that:

- Smoking marijuana should be banned anywhere that smoking tobacco is banned. In addition, landlords should be able to ban the smoking of tobacco or the smoking of marijuana.
- Growing marijuana in multi-unit or rented dwellings is more problematic than marijuana smoking. Concerns include:
  - Safety hazards due to electrical overloading, and excess humidity
  - Interference with other tenants through strong odours
  - Potential liability for the landlord and risk to the tenants and mortgage holder
  - Potential cancellation of building insurance or the calling of a mortgage with financially disastrous results for an innocent building owner.

This submission begins with some background on apartment living and the current laws on tobacco smoking. (Later in the submission we address factors that apply also to rented single family homes.)

### **The realities of apartment living**

In a detached home, what an owner-occupant does largely affects only themselves, whereas in multi-unit dwellings, an occupant's actions in one unit can very often have significant effect on the occupants of other units. Provincial landlord and tenant laws recognize that fact. Those laws draw a line between interference which must be tolerated, and interference which is a substantial interference with the reasonable enjoyment of other tenants, which landlords are responsible for stopping or preventing.

When landlords impose rules about tenant activities in their apartments, the purpose of most of the rules is to protect the rights and interests of other tenants. For example, leases commonly prohibit the playing of musical instruments after 11:00 pm or before 8:00 am. That is because most people sleep between those times and do not want to hear a piano or violin played then, especially by someone who is not an expert musician.

As another example, people can talk in their homes. If people speak loudly and the walls are thin, a neighbour may hear the speaking, but generally the neighbour has to tolerate that noise. However, loud

partying or playing loud music often reaches the level of substantial interference with the reasonable enjoyment of other tenants, especially if done late at night.

It used to be that secondhand smoke fell in the category of an interference which needed to be tolerated, and that still usually applies to some occasional secondhand tobacco smoke. However, now in BC and most places in Canada, a steady flow of secondhand tobacco smoke is considered to be a substantial interference with the reasonable enjoyment of other tenants if at least one tenant complains.

### **Current laws on tobacco smoking**

With some restrictions as to grandfathering, landlords can ban smoking in rental buildings. Non-smokers rights groups want landlords to ban smoking in all apartment buildings. Health Canada is considering whether to advocate for provincial bans on smoking in multi-unit dwellings, even though those apartments are people's homes. BC like most provinces currently ban smoking in common areas of multi-unit dwellings.

### **Marijuana consumption**

Marijuana smoke has a unique smell, which some people find pleasant enough, but others find offensive. Once smoking marijuana for recreational purposes is legalized, it will almost certainly be dealt with like smoking tobacco.

The public needs to be educated that the legalization of marijuana does not mean that it can be smoked anywhere at any time. Playing a radio or the piano and smoking tobacco are legal, but in rental apartments the permitted times and volumes are limited.

As the federal government Task Force on Cannabis Legalization and Regulation (the Task Force) recommended, smoking marijuana should be banned anywhere that smoking tobacco is banned. Federal law should make that clear, or clearly permit that.

In addition, landlords should be able to ban the smoking of tobacco or the smoking of marijuana. Different segments of the population have different views of what is acceptable regarding tobacco smoking or marijuana smoking, and landlords should be able to provide their customers what they want, which should provide choice in the rental market.

Ideally, landlords should be able to ban the smoking of tobacco or the smoking of marijuana on specific floors or areas of multi-unit dwellings. One can imagine parents who do not want their young or teenage children exposed to any marijuana smoke or to tobacco smoke. Or other floors where all the tenants want to be able to smoke marijuana. Indeed, some groups of tenants may want to live where they can smoke marijuana, but not tobacco. Note: A reminder that the above applies to recreational marijuana. Where prescribed for medical use, duty to accommodate would apply.

### **Growing marijuana**

Growing marijuana in multi-unit or rented dwellings is more problematic than marijuana smoking. Concerns include:

- Safety hazards
- Interference with other tenants
- Potential damage to the building

- Potential liability for the landlord and risk to the tenants and mortgage holder

The Task Force recommended that up to four plants of up to one meter in height be allowed in all dwellings, which implicitly included rented dwellings and dwellings in multi-unit buildings, whether rentals or condominiums. We suggest that recommendation is problematic for the reasons which follow.

#### *Ideal marijuana growing conditions*

This is not intended to be a full-on tutorial on growing marijuana, but rather information that we feel is necessary when considering the issue in the context of our concerns. The information we are summarizing below has been drawn from sources recognized for their knowledgeable and expertise in the cultivation of marijuana and from Built Environment Experts.

The *optimal grow temperature* is at or above 20 to 25°C, which is higher than most apartments are kept, except during the summer. 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 25% to 40%. Higher humidity can lead to mould and condensation which can damage window frames and walls, and create health hazards for people.

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 is significant power usage, which most apartment buildings are not wired for. Using such high wattage lamps can easily create a fire hazard.

*Marijuana plants require CO<sub>2</sub>* to grow. In indoor operations, it is sometimes necessary to supplement CO<sub>2</sub> supply, as atmospheric CO<sub>2</sub> 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 meter in height.* Modern best practices use the “screen of green” technique (SCROG) in which a grower directs heads on the plant laterally, which results in the plant growing more marijuana, more efficiently, while the plant’s height remains below 1 meter. Under the care of an expert 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 2 to 3 months for a plant to be ready for harvest. The Task Force recommendation is to allow households to have four plants under 1 meter in height at any given time. That would allow an expert grower to grow 16 to 24lbs of marijuana per year, which is vastly more than any household would need for personal consumption.

Growing marijuana *requires a good airflow system*. Good airflow is key to regulating temperature and humidity, as well as CO<sub>2</sub>. There are two components: moving air around the grow area, and exchanging air from the outside. Ideal regulation systems will control temperature, humidity and smell. Cultivation experts suggest a marijuana grower purchase an after-market ventilation system. Like the heating lamps, such an after-market ventilation system could easily place an unacceptable power draw on the building wiring, raising the risk of electrical shorts or fire.

Apartment building heating and ventilation systems are not designed to create the necessary humidity and air flow for growing marijuana. Instead they are designed to keep people healthy and comfortable. Many tenant adaptations to favour marijuana growing will inevitably interfere with keeping people healthy and comfortable.



Apartment building heating and ventilation systems are not designed to work with many or any after-market ventilation systems, and to require landlords to adapt their building heating and ventilation systems would be highly unfair to landlords, who are renting residential accommodation, not a mixed-use apartment and green house.

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

Cultivation experts cite the fact that marijuana plants give off a “skunky” smell which can be very intense especially during the flowering and drying stages and acknowledge that this smell is likely to offend other residents in the building.

#### *Concerns re: municipal bylaws and insurance practices*

In addition to the concerns listed above, there are other concerns of which we are aware through our members’ dealings with municipalities and insurance companies.

Marijuana growing on any scale is often done with significant amounts of fertilizer, and sometimes with substantial amounts of water. As well, larger growers often bypass electricity meters to avoid high electricity costs and the danger of being caught through the high electricity consumption. (Even tenants in high-rise apartment buildings have been known to do that.) It is because of the dangers of chemical residue, of mould and of dangerous modifications of electrical wiring that so many municipalities have enacted marijuana grow-up remediation by-laws. The by-laws assume that any marijuana growing will do damage to the building, and require remediation. That is not unfair if the grower is the owner of the building, but when the grower is a tenant, the landlord is left with the onerous obligation, and that is unfair.

When any marijuana is grown, the remediation requirements include engineering reports and invasive inspection to check the back of drywall for mould. We are aware of a landlord whose tenant grew a small number of plants in a grow tent. There appeared to be no damage. However, the mortgage company and the jurisdiction where the building was located required her to obtain an engineer’s report and air testing and soil testing at a cost of over \$10,000 to prove that there was no problem. With a grow-op of size, the remediation costs can run up to \$200,000 to gut and restore a single-family home.

In addition, insurance companies currently tend to cancel insurance policies when they learn any marijuana has been grown. That leaves a landlord with no liability insurance (putting the tenants at risk). That also leaves the landlord and the mortgage holder with no coverage if the building is destroyed or damaged by fire, even if the fire is unrelated to the marijuana.

#### *Summary of the concerns*

To re-cap, marijuana growing in apartments raises the following serious issues:

##### **Safety hazards**

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

##### **Interference with other tenants**

- Due to the “skunky” smell

- Due to the safety concerns
- Due to the potential for excess growing, which could draw criminal activity to the building, despite legalization

#### Potential damage to the building

- Due to the excess power draw
- Due to the excess humidity, bringing the risk of mould and damage to window frames and walls
- Due to the incentive to add ventilation incompatible with the existing heating and ventilation systems

#### Potential liability for the landlord and risk to the tenants and mortgage holder

- Due to the facts of marijuana growing, combined with
  - municipal remediation bylaws, and
  - insurance company practices

Due to all of those problems, LandlordBC urges the BC government to prohibit all marijuana growing in multi-unit dwellings, and in rented dwellings of any form or size (including outer buildings and in open air gardens)

LandlordBC agrees with the Task Force that the government should prohibit the processing of marijuana in multi-unit dwellings, and in rented dwellings of any size.

#### **Summary of recommendations**

1. Educate the public that the legalization of marijuana does not mean that it can be smoked anywhere at any time.
2. Ban smoking marijuana anywhere that smoking tobacco is banned. (The Task Force recommended the provinces and municipalities bring marijuana smoking under the rules which apply to smoking tobacco.)
3. Allow landlords to ban the smoking of tobacco or the smoking of marijuana. Ideally, landlords should be able to ban the smoking of tobacco or the smoking of marijuana on specific floors or areas of multi-unit dwellings.
4. Prohibit marijuana growing in multi-unit dwellings, and in rented dwellings of any size.
5. Prohibit the processing of marijuana in multi-unit dwellings, and in rented dwellings of any size. (The Task Force recommended a prohibition on dangerous manufacturing processes in homes, such as the manufacture of concentrates using volatile solvents or chemicals. LandlordBC would prefer the ban to be a general ban on all production or processing.)

In addition, the following are recommendations of the Task Force, with which LandlordBC agrees

6. Measures to enhance public education about the harms and risks of marijuana consumption.
7. Measures to limit access to marijuana by persons under 18, subject to provincial increase the age limit to 19 to parallel the legal drinking age in BC.
8. Establishment of a strict system for the production and distribution of marijuana, thereby addressing concerns about the quality, safety and potency of marijuana legally available.

9. Continued enforcement of laws and sanctions against possession, production, and distribution of marijuana outside the regulated legal framework.

*Preferred Distribution Model*

10. In regard to distribution, LandlordBC prefers a “hybrid” solution, one that capitalizes on a robust network of independent, licensed, privately-owned retailers (such as those we see in Vancouver and Victoria) in combination with government-owned and operated retail outlets to provide broad access. In effect, a distribution model that replicates the current liquor distribution model that BC LCLB employs. We believe that this model, particularly with a more expansive network of independent retailers, will facilitate the provision of dedicated locations where recreational users of marijuana will be able to congregate and engage in the use of the product with like-minded individuals, thereby limiting the need to consider smoking marijuana in multi-unit dwellings and rental homes. Think craft breweries.

# Stakeholder Submission

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## Introduction

Levity Solutions is a consultation company that has historically catered to personal medical cultivators licensed under the MMAR and ACMPR, as well as the small cannabis businesses that operate in BC's illicit and medical cannabis marketplace.

We deal directly with operators from what has been called BC's 'craft' cannabis economy, and this gives us a unique perspective on the people that are involved. From our experience, the vast majority of cultivators, processors, and retailers have a desire to operate openly and legally.

Granted, we vet our clients, but we have yet to encounter a single case of organized crime being involved at the small business scale.

We are aware of some level of criminal involvement in massive illegal production, but we do not involve ourselves in that part of the industry. We do not work with large chain dispensaries, either, some of which are massive corporate operations.

The folks that we have encountered through our work are generally law-abiding, aside from cannabis laws. Their operations tend to be owner-operated, or have a handful of staff. They are not getting rich from their endeavors, though some might make a living.

These people care deeply about what they do. Whether it is a medical grower producing for themselves or a small storefront dispensary that has the support of the community, there is a unifying sense of passion that leads to a desire for expertise.

We believe that freezing out the artisanal gardening community and the mom-and-pop dispensaries, due to fear of large-scale criminal enterprises, will have widespread negative consequences. Not only will it cost the BC economy tens of thousands of jobs, but it runs counter to the goal of black market reduction.

We also believe that specialty storefronts are the only logical way to sell legal cannabis. Our society has private specialty stores for everything, including alcohol and tobacco, so it makes little sense to choose another method for cannabis. Sure, there should be an online option, but most consumers will shop at storefronts for the human experience.

It is our opinion that the BC government must be wary of a conglomerated cannabis industry. As it stands now, the province would likely be ignoring its constituents if it institutes a government distribution model that can only acquire product from massive, mostly non-BC-based federal producers.

Within the cannabis marketplace, the consumer has already spoken. Illegal storefront dispensaries, and their product suppliers, fill the vast majority of consumer demand in this country, medical or otherwise. Sales from ACMPR licensees are a drop in the bucket, in comparison.

Outside the cannabis marketplace, consumer trends in food, wine, beer, coffee, and spirits are all moving away from massive brands, which has led to a burgeoning market for all things 'craft', 'small-batch', and, most importantly, local.

Non-cannabis regulations in BC are moving in this direction, as well. The loosening of provincial liquor laws, and some municipalities choosing to license lounges for craft breweries are two liquor-based examples.

As long as our BC government takes into account these market trends, the economic impact of potential over-regulation, and the expertise of the current operators when creating the provincial regulatory system for cannabis, the province's system should be set for success.

## **Background**

Levity's founders specialize in three particular areas, and it is in these areas that we will be making our recommendations:

- **Dispensary Operations, Marketing, and Training**

Levity Solutions has worked with both storefront dispensaries and online dispensaries to develop training material, SOPs, trusted product supply, and brand identities. We work exclusively with dispensaries that wish to be regulated, all of which have participated in the municipal licensing process in either Victoria or Vancouver.

- **Organic Cannabis Cultivation**

Levity Solutions has worked with a number of people licensed for personal cultivation under the MMAR and ACMPR. Most of these people produce for personal use, but some supply dispensaries. We generally implement a no-till organic method that is pesticide free. We make sure all electrical and HVAC work is done by ticketed professionals, and is up to code. We install sufficient security measures, develop operating procedures, and remain available for advice several months after project completion.

- **Hydrocarbon Extraction**

Levity Solutions has worked closely with both growers and stand-alone extractors in an attempt to establish safe hydrocarbon extraction spaces. We advise on peer-reviewed equipment, methods to ameliorate safety and outputs, solvent use, and operating procedures. We believe that BC should regulate extraction facilities to follow regulations required in Denver County, Colorado, which is among the strictest legal regions in America for hydrocarbon extraction.

Outside of cannabis, the founding partners also have experience in liquor retail, culinary and hospitality management, software development, and business operations.

While we do cater directly to BC's cottage cannabis industry, we also have experience in legal US states, and experience with industrial-scale cultivation and extraction. Under legalization, we look forward to working with federal licensees to bring world-class hydrocarbon extracts to market, and to encourage organic methods of cultivation.

That being said, we have grave concerns for the survival of the small businesses here at home. We are now seeing at least one massively funded, Ontario-based, publicly traded company move into our province with the desire to corner the BC market. Such companies will not be putting their profits back into BC's small communities like the illicit producers do.

If allowed and encouraged, this may have devastating consequences for our provincial economy, while also encouraging the black market to continue so that BC residents can make ends meet.

## **Recommendations**

Our recommendations will fall into three categories: distribution, cultivation, and extraction.

We are aware that some of our recommendations around the latter topics may currently fall outside of the provincial purview, as defined by the federal government. We do not include them here as a pipe dream. We firmly believe that this province has a right to regulate our own internal trade & industry without federal 'permission'.

At the same time, we also believe that the best-case scenario is cooperation and engagement between all levels of government.

We are simply asking that our provincial officials advocate for their constituents' best interests. In this case, it is the maintenance of some semblance of small business inclusion in cannabis cultivation and processing, and amnesty for those that have been unjustly punished by the misguided prohibition of a plant.

### **Distribution**

Distribution is the most straightforward set of recommendations, as it is all provincial purview.

Among our theoretical goals are minimizing service interruptions, competing effectively with illicit distributors, and making sure that BC's economy benefits from cannabis legalization.

To these ends, we recommend that BC not pursue the path of a public system operated by a crown corporation. These systems are archaic. They fail to consider consumer preference, and they fail to utilize modern, technology-based solutions to supply chain issues.

BC should let private retailers purchase directly from cultivators, and track this using technological seed-to-sale solutions. We suggest that the government use tracking solutions developed in Canada.

BC should allow BC-produced cannabis to have priority entry into the distribution system, and find creative ways to enable small local producers to participate in the BC cannabis economy.

BC should establish retail licensing for both storefronts and e-commerce, based on training, reporting, remittance, community feedback, and safety. While BC should definitely incorporate the good actors from the illicit cannabis retail sector, this should not be done just because they are already in operation. These good actors must pass through screening like any new applicant would. Under no circumstances, however, should they be excluded based on their willingness to operate prior to legalization, or previous cannabis offenses.

BC should allow licensed cultivators, cultivation co-operatives, and private online retailers to participate in this process, and distribute directly, if they qualify. BC should also allow storefront dispensaries to distribute online, if they qualify to do so.

We believe that a competitive private marketplace is the only way to efficiently compete with the black market, unless the provincial government is willing to spend hundreds of millions to build distribution infrastructure, only to take a loss to undercut black market pricing.

When it comes to public health and safety, we believe that any issues will be adequately served by a combination of education, training, research, regulation, and competition. Age verification techniques for online and in-person purchasing are already well established in other industries, as are security standards.

One topic that is particularly complex is the inebriated driving conversation going on around bill C-46. While it is difficult to recommend a comprehensive solution, we caution the province against instituting expensive, unproven, and potentially unreliable blood and saliva testing without more research. Impairment will vary, not necessarily based on consumption quantity. Without knowing more about cannabis inebriation and THC in the body, limits will be arbitrary and challengeable. We recommend that impairment be identified using motor function tests until research indicates there is a better option.

We recommend BC set the age restrictions at 19, just like alcohol and tobacco.

We recommend that home growing be allowed, and that the province make no decreases in growing or carry limits. In fact, we find both of these limits unnecessarily restrictive, and out of place in a truly legal environment. Consider that we can grow tobacco and brew beer or wine, and legally carry a limitless quantity of either.

Finally, we recommend that licensing be created for cannabis lounges, and that some kind of vending be allowed at these locations. They should also be allowed to sell food and beverages.

## **Cultivation**

Cultivation is the most complex factor in provincial supply chain management, as the province currently has little control over cannabis production.

A few of our theoretical goals here are ensuring demand is met by supply, making sure that BC's bustling cannabis economy is not re-located out of province, and enabling small-scale local production.

It appears inevitable that supply shortages will be faced across Canada, in both the short and medium term. If BC's locally-driven cannabis production can be tapped into, it could present a BC-made solution to these issues.

We strongly recommend that BC take a creative approach to ensuring that the current economic activity created by the illicit provincial cannabis economy is not lost or transferred over to non-BC corporate interests.

We propose three possible solutions to assuring the existence of a made-in-BC cannabis marketplace.

We recommend that the province create a craft-style licensing scheme for producers that have facilities with less than 4000 square feet of growing space. These smaller facilities exist in nearly every BC municipality and regional district. As far as we know, it is currently near-impossible for such small facilities to acquire federal licensing.

These small growers represent the current backbone of BC's cannabis economy, and provide the supply for smaller dispensaries around the province. When people refer to 'craft cannabis' it is these small facilities that are being referenced. Similar to many craft breweries, these operations are generally stand-alone, owner-operated, non-retailing outlets, and should not be burdened with the large barriers to entry into the federal production scheme.

As with retail, we are not recommending that every small grower be licensed just because they are already in operation. Rather, we suggest that there should be decreased barriers for smaller producers. We recommend that these cultivators be required to perform background checks, provide a reasonable level of quality assurance, pass analytical safety tests, be inspected by fire officials, have a comprehensive safety plan, and acquire insurance, should they wish to participate in a regulated market.

We recommend that co-operatives be allowed for licensed medical growers to bring excess product to market. This would allow the province to tap into the vast quantity of cannabis that enters the market as a result of personally licensed producers having more than they need for themselves. Once again, these personal producers provide a significant portion of the local production, and should be allowed to continue doing so under legalization.

We believe that allowing the creation of co-ops is the most sensible way to bring the overflow from these expert growers to market, as the co-ops would take on the burdens of compliance, distribution, packaging, analytical testing, liability insurance, and storage.

Finally, we recommend that federally licensed producers that are BC-based be allowed to enter the supply chain ahead of those based elsewhere. It is our belief that the province would be best served by BC-based producers, as this would help keep cannabis jobs and revenue in-province.

## **Extraction**

Extraction, in our opinion, is of paramount importance for regulators. It has remained under-acknowledged, as far as we can tell, for such an important safety consideration.

While strangely absent from the current lineup of licensed producers, we will not take too much time addressing the solvent-less extraction method of creating hashish, which is an ancient and safe method of concentrating cannabis. Suffice it to say it should be legally available and distributed.

CO2 extraction has already been accepted as a safe extraction method, and we agree with this assessment. CO2 extraction requires rather large infrastructural investments, though, so there is no real danger of people using this method at home.

We will focus instead the need for legal, regulated cannabis extraction using organic solvents, particularly hydrocarbons.

Light hydrocarbon cannabis extracts, made using propane and butane, make up the fastest growing product sector in legal US cannabis economies. This market trend is also reflected in the illicit Canadian market. It is our belief that banning them outright will empower the black market while creating significant public safety risk.

The safety risks, in this case, come from the apparent ease with which these products can be made. It is not overly difficult for someone to acquire the solvents, and attempt the process at home. We believe this practice would largely disappear, if a legal option existed.

This is why we recommend that standards be established for the licensing of industrial extraction facilities. These standards should include the use of peer-reviewed closed-loop machinery, proper ventilation, spark-proof environments, solvent quality standards, and trained extraction technicians.

It has been shown in other jurisdictions, and in other industries, that these solvents can be safely used for the purposes of extraction. These solvents are generally regarded as safe (GRAS), and commonly used in food processing, perfume, and cosmetics.

It is our recommendation that BC look south of the border, and take inspiration from Denver County's guidelines, which can be found here:

<https://www.denvergov.org/content/dam/denvergov/Portals/678/documents/FPB/Extraction%20Guide%20FD%203-30-2016.pdf>

## **Conclusion**

We believe that BC is particularly well placed to have a thriving cannabis economy going forward, and the best way to get this result is to let the expertise of our homegrown businesspeople shine. In order to accomplish this, it will require a private retail system with minimal barriers along the supply chain.

We are also gravely concerned about the corporate consolidation taking place in the Canadian production space, and caution against allowing this to negatively impact our province.

Finally, we applaud the secretariat and the provincial government for listening to constituents, and for taking on the massive project of cannabis regulation in BC.

Thank you,

Travis Lane – Founder  
Philip Kwong – Founder

Contact: [levitycannabis@gmail.com](mailto:levitycannabis@gmail.com)





October 27, 2017

The Joint Provincial-Local Government Committee on Cannabis Regulation  
[cannabis.secretariat@gov.bc.ca](mailto:cannabis.secretariat@gov.bc.ca)

Dear Sirs/Mesdames:

**To grow or not to grow? That is the question: where not to grow marijuana?  
The answer: not in Manufactured Home Communities**

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.

The Manufactured Home Park Owners Alliance of BC serves, educates, and represents about 40% of the approximate 1000 manufactured home communities (MHCs) in BC, communities that provide an affordable and desirable housing alternative to about 60,000 BC households. While undoubtedly some MHC residents will smoke marijuana, our serious concern relates to the potential impacts of residents growing marijuana plants in their homes.

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

Owners of detached homes can choose to do anything within their homes; should damage result, no one is affected except the home owner. The same is not true in rented properties or multi-unit complexes. 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.

The owners of MHCs need assurance that legislation will provide some protection to them and the ability to deal with situations involving the growing of marijuana and its impact on their property and potentially the homes of neighbours to those who choose to grow marijuana plants in their homes. It is important to note that, while MHC owners cannot enter any resident's home, the MHC owner is

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nonetheless responsible for ensuring that all residents can be assured of “quiet enjoyment” under the law. (See below)

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

### **Safety hazards**

The Federal task force on the legalization of marijuana<sup>1</sup> recommended that up to four plants of up to one metre in height be allowed in all dwellings, which implicitly includes rented dwellings, dwellings in multi-unit buildings, and dwellings in MHCs. That recommendation is problematic to say the least.

The ideal growing conditions for marijuana require high heat and high humidity,<sup>2</sup> 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<sup>o</sup> 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 BC Supreme Court in *Allard v. Canada*. Higher humidity leads to mould and condensation which can damage window frames and walls, and create health hazards for people.<sup>3</sup>

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 CO<sub>2</sub> to grow. In indoor operations, it is sometimes necessary to supplement CO<sub>2</sub> supply, as atmospheric CO<sub>2</sub> can be used up quickly without free flow of outside air. This can create unbreathable air. This situation is more likely to occur in manufactured homes due to their close proximity to other homes; thus the grower keeps all windows closed to avoid the odour affecting neighbours. (See below)

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’s<sup>1</sup> 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 CO<sub>2</sub>. 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.<sup>2</sup> 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 a manufactured home, given the close proximity of homes in a MHC, it is highly likely that adjacent homes 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.

Most homes in MHCs are located within a few feet of each other and such odours should not have to be endured by those who have no interest in growing or smoking – or smelling - marijuana.

Under section 23 of BC's *Manufactured Home Park Tenancy Act*, ("the Act")<sup>4</sup> the owners and managers of MHCs 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 MHC owners who are prohibited from entering the homes of suspected marijuana growers to confirm that they are in fact growing marijuana, in order to take action under the Act.

As noted, MHC managers may not enter a manufactured home under any circumstances, thus cannot determine whether marijuana is being grown, or if grown, is within the legal limits. A "grow operation" for commercial purposes will inevitably attract undesirables to the park, interfering with the safety and quiet enjoyment of park residents.

While in some climates, marijuana can be grown outdoors, were that to happen on a manufactured home site, the presence, smell, and potential "attacks" by undesirable outsiders would still exist.

### **Potential liability to MHC owners and home owners**

There are liability issues of which we are aware through our members' 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 MHC owner's property. The presence of pesticides in particular is an environmental hazard, to say nothing of the unsightliness 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 is often not realized by the home owner. Consequently, if damage is done to the MHC property, subrogation by the MHC owner's insurance company is not possible. More critical is that the MHC owner's insurance may also void a claim related to the production of marijuana, even though the MHC 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 MHC owner and/or home owner with no liability insurance, putting both at risk. That also leaves the home owner and/or mortgage holder with no coverage if the building is destroyed or damaged by fire, even if the fire is unrelated to the marijuana.

Mortgages cannot be renewed without insurance, and mortgage companies 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 home 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 the MHC owner's property. Note that most of these bylaws penalize the MHC owner, not the home owner, as financial penalties can be added to the MHC owner's property tax bills. Such is not the case with the property tax on manufactured homes, as they are considered chattels in this context. Municipalities rarely fine manufactured home owners, as their homes cannot be seized for property tax payment arrears.

## **Enforcement**

As noted above, section 23 of the Act,<sup>4</sup> prohibits a MHC owner from entering the home of a MHC resident under any circumstances. The MHC owner can only enter the site on which the home is located with at least 24 hours' written notice. Thus, it is almost impossible for a MHC 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 almost impossible to establish, given the MHC owner's restricted ability to access the site, and prohibition from entering the home. Also, many police departments or detachments decline to respond to complaints in MHCs, surmising (wrongly) that dealing with any problems in a MHC is the responsibility of the MHC owner.

## **Summary of Concerns**

Marijuana growing on rented manufactured home park sites 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 CO<sub>2</sub> being used up

### Interference with other residents

- the skunky smell
- the safety concerns
- due to the potential for excess growing, which could draw criminal activity to the building, despite legalization
- the likelihood of criminal activity and attraction of undesirable strangers to the MHC
- Potential for fire in the subject home, 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 MHC owner
- The risk of residents' mortgages being called
- The risk of MHC owners' insurance being cancelled because a resident grew marijuana
- MHC owners can be fined and/or held financially responsible for the consequences and/or remediation of property damaged by residents growing marijuana

## Enforcement

- MHC owners are restricted from entering their sites and prohibited from entering residents' homes
- Difficulty of gathering sufficient evidence to attract police and/or uphold a notice to end tenancy.

## **Conclusion and Recommendation**

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 *Manufactured Home Park Tenancy Act* prohibiting the planting, cultivation, and/or production of marijuana within a Manufactured Home Park 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

<sup>1</sup> *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

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

<sup>3</sup> Federal Provincial Advisory Committee on Environmental and Occupational Health.

<sup>4</sup> *Manufactured Home Park Tenancy Act*. [SBC 2002] Chapter 77

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October 31, 2017

Honorable Minister Mike Farnworth  
Minister of Public Safety and Solicitor General  
Sent via email: [cannabis.secretariat@gov.cb.ca](mailto:cannabis.secretariat@gov.cb.ca)

Re: BC Cannabis Regulation Engagement

Dear Minister Farnworth,

On behalf of the 225 members of the Marpole Business Improvement Association in Vancouver, I am writing to state our support for the regulation of legalized cannabis. We have some concerns that we would like to submit to the Secretariat as the provincial government moves forward with implementation of the regulation framework for British Columbia.

- The Marpole BIA agrees with the City of Vancouver, Vancouver Coastal Health and the Vancouver Police Department that "smoking is smoking". Cannabis smoking should be regulated to the same degree as smoking tobacco. We do not support cannabis smoking in public places. We do not support "vapor lounges" nor indoor smoking/vaping venues. Municipal bylaw officials will need to increase enforcement of its bylaws with respect to smoking in public places.
- The Marpole BIA supports a distribution model of a **separated province-run cannabis retail store model**. We do not support the current private retail distribution model of the City of Vancouver. This unenforced storefront retail model has wreaked havoc on our commercial street, where we Vancouver BIAs have been on the frontline of dealing with illegal businesses operating without insurance, licenses, or regard for our communities. These existing establishments must be closed when the Province approves its new distribution model. Furthermore, research supports government-run distribution centres for alcohol as lessening the negative impacts of underage consumption, as well as decreasing potential in alcohol-related harms. These results will likely also apply to cannabis, another controlled substance. We also agree with Vancouver Coastal Health that all advertising, promotion and sponsorship of cannabis products be prohibited, and that information of health risks be clearly stated and available to consumers.
- The Marpole BIA encourages the Province, in partnership with the City of Vancouver, to fund a campaign to educate the public and youth about the health implications of consuming cannabis products. There should also be increased financial support for school educational programs with respect to the harms of drugs. These funds should come from the revenues that will be realized through the legalization of cannabis.

Respectfully submitted,



THE MARPOLE BUSINESS ASSOCIATION

Claudia M Laroye  
Executive Director

cc. Mayor Roberston and Council  
Kaye Krisha, General Manager of Development Services and Licensing  
Michael Lee, MLA, Vancouver-Langara



## **Medicinal Cannabis Resource Centre Inc.**

### Notes on Cannabis Legalization and Regulation in BC Discussion Paper:

#### Minimum Age

- We agree that 19 is the appropriate age for recreational cannabis.

#### Personal Possession (Adults)

- One thought about the 30 gram limit is that people who could purchase this amount from one or more retail outlets could potentially divert that product to people in the black market.

#### Personal Possession (Youths)

- This could be an issue for youths as they are still in High School and could divert some of their cannabis to classmates and other underaged peers.

#### Public Consumption

- We are in agreeance that smoking and vaping regulations should be in accordance with tobacco regulations.
- We agree with the practicality of the public intoxication and disorderly conduct laws to be used for cannabis consumption.

#### Drug Impaired Driving

- The major issue with this, as you know, is the ability for cannabis user to test positive well after the impairment level has worn off. Some solutions would be increasing the amount of drug recognition experts as there are current programs being developed that could assist with determining impairment levels for individuals using cannabis (smoking or ingestion).

#### Personal Cultivation

- This is a hornet's nest. By allowing any adults to grow 4 plants, this will put tremendous strain on law enforcement agencies who will be attempting to determine whether the production is a legal, medical operation. Medical cannabis patients have the ability to have many more than 4 plants depending on the medical document signed by their physician. The problem here is that many of these new, recreational producers will not have the knowledge or resources for small operations. This could lead to odour issues which would be difficult for law enforcement to respond to as this was one of the primary methods used by law enforcement to discover grow operations.

#### Distribution Model

- In the past medical models, distribution has not gone smoothly. T
- The private distribution model outlined in the paper is very similar to the current model of Licensed Producers (ie. Licensing, reporting requirements and expectations).

- Direct distributions would not be far from the private distribution model and smaller producers may be a part of the equation in the future but as it stands, companies need deep pockets to enter this business.

### Retail

- The method of dedicated storefronts would likely start everyone off on an equal footing. Dispensaries who are currently illegal would have a head start on the competition and would thus be rewarded for operating an illegal business which would not be a fair opportunity to new companies.
- We agree that distribution should not be allow co-locations with alcohol and tobacco. This is because of the fact that alcohol and cannabis combined create a much more intense impairment level than either of them individually.
- There should also be mail-order distribution included for residence in rural areas who would likely have difficulty accessing other retail store fronts.





**Cannabis Legalization and Regulation Secretariat**  
Ministry of Public Safety and Solicitor General  
200, 914 Yates St,  
Victoria, BC  
V8V 3M2

**Re: British Columbia Cannabis Regulation Engagement Submission**

Submitted via email to [Cannabis.Secretariat@gov.bc.ca](mailto:Cannabis.Secretariat@gov.bc.ca)

To whom it may concern,

Thank you for the opportunity to be a part of the British Columbia Cannabis Regulation consultation process. The complexities of the cannabis file, as well as the swift timelines to implement legislation and regulations means B.C. requires a system in place that is safe, efficient, and secure prior to the July 2018 timeline set by the federal government. Merrco can provide an easy-to-implement solution to address the needs of the B.C. government and various stakeholders through its e-commerce solution.

Merrco is an online payment processing solution for the sale and home delivery of cannabis and is uniquely positioned as Canada's most reliable online distribution option. With extensive experience in the e-commerce space, it utilises the same technology which has proven itself in the online lottery sector. Merrco offers a fully comprehensive compliance and payment solution. It is safe, secure, and ensures compliance with federal and provincial government regulations.

Merrco believes that concerns surrounding safety, public health, protection for youth, and elimination of the illicit market can be addressed through its online, e-commerce system.

### **E-commerce for Cannabis**

As governments across Canada look to meet the federal government's timeline for legalization by July 2018, Merrco believes there are three key advantages to an online system that can meet the needs of the B.C. government.

#### **Legalize, not normalize**

Online distribution ensures that cannabis is legalized, not normalized. The presence of storefronts within communities can normalize the use of marijuana in young people. The Merrco online sales model ensures legal access to marijuana while applying ALL government regulations prior to the sale being finalized without having the highly visible storefront presence.

Merrco's online system enables payments and user compliance for expansion of the federal medical marijuana system into a provincial recreational/adult use context. It ensures adult use cannabis available to all Canadians.

#### **Secure payment**

Online distribution offers government secure payment for legal delivery of recreational cannabis. It prevents leakage from cash transactions and maximizes compliance and tax revenue, as products are closely tracked and delivered. It also eliminates or minimizes the need for retail marijuana dispensaries in communities, addressing the issue of illegal activity occurring within or surrounding storefronts, and reducing the need for increased monitoring from law enforcement.

The online solution also provides municipalities with a technological option to opt out of the store front model and select Canada Post or other commercial couriers as the only distributor of cannabis.

## Effective, and easy implementation

The online distribution model is an easy-to-implement solution for the sale and distribution of recreational cannabis. It can ensure compliance and help the B.C. government meet the July 1, 2018 timeline while giving policy makers time to model and test other retail distribution methods post-legalization.

There are distinct and significant benefits of implementing an e-commerce system, many of which can address significant policy concerns facing the B.C. government, such as co-location of alcohol and tobacco, serving consumers with mobility challenges, and providing access for those in rural areas. However, the benefits will only be as effective as the systems that are put in place. The systems used by Merrco are well-established and have been proven over the years; it is ready to go with no cost to government.

## Effective Online Distribution to Meet British Columbia's Regulatory Needs

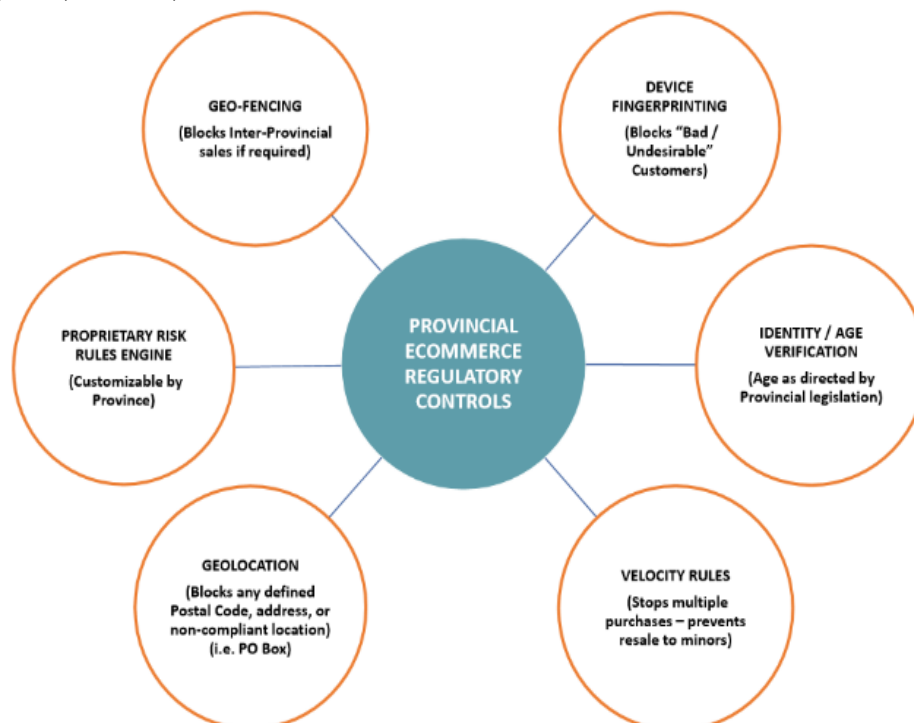
Merrco has created an interactive video to effectively convey how its e-commerce system can meet the regulatory needs of the B.C. government. The video can be seen here: <http://www.merrco.ca/regulated-industry.php>

An effective online distribution system must include the regulatory controls necessary to protect youth, provincial borders, and remove the sale and distribution of cannabis from the reaches of organized crime.

Merrco has developed the online Canadian system to effectively implement regulatory controls for the following:

- Blocking inter-provincial sales;
- Blocking undesirable customers from accessing cannabis;
- Ensuring age is verified for each purchase;
- Preventing multiple purchases from occurring; and
- Preventing sales to non-compliant locations.

It does this through implementation of the following tools, which have been tested and proven in the online gaming sector in Ontario, B.C., Quebec, Manitoba and the Atlantic:



With e-commerce tools in place, only those eligible under provincial law will be able to legally access cannabis in B.C.

## **Merrco and the Government of British Columbia**

### **1. Limiting the illegal market for cannabis**

Merrco's online distribution solution can support the elimination of an illegal market through the removal of storefronts, where transportation risks, security issues, dispensary fraud and mass theft of product can occur. With tightly regulated and monitored processes, the e-commerce system can eliminate black market activity and ensure profits are kept away from organized crime.

### **2. Keeping cannabis out of the hands of children and youth**

Merrco can provide an e-commerce system that is proven to protect children and youth from access to illegal activity. Our proprietary technology, which has been used extensively in the online gaming sector, has e-commerce regulatory systems in place to ensure only those who are legal can access product online.

### **3. Protecting public health**

Protecting public health requires an understanding of the market and consumers involved, all the while having access to accurate and readily available data. Merrco's e-commerce system ensures government has access to data to monitor in order to better understand consumption patterns, access, and the impacts of new legislation.

### **4. Protecting safety on roads, in workplaces and in public spaces**

Merrco's online distribution solution can help protect public roads as product is delivered directly to a consumer's residence, reducing impaired driving risks associated with consuming cannabis and driving following a purchase. Merrco can also keep public spaces safe, as the e-commerce system eliminates the need for storefronts which can be associated with black market activity.

## **Other Associated Benefits**

Other benefits of Merrco's e-commerce solution for the sale and distribution of recreational cannabis include:

### **1. Efficient tracking of revenue**

Merrco's e-commerce system allows government to more efficiently track revenue, as an online system can be updated more frequently and provide more accurate data.

### **2. Reduced implementation costs**

An online distribution model reduces the need for government investment as there is no infrastructure required to regulate and monitor storefronts and dispensaries in communities.

### **3. Meets federal government mandate**

The online method allows the public to safely access product, and meets the federal government's requirement that cannabis be accessible for all Canadians, while reducing transportation concerns and ensuring safety and security of the public is maintained.

## Conclusions

Online distribution should be considered a key part of supporting an effective system of federal and provincial compliance, key policy issues surrounding age and purchase limits, the need for storefronts, concerns around black market activity, regional distribution issues, and the need for government investment.

This is only effective if the necessary technology is in place to support these goals. With proven regulatory controls and systems, Merrco can provide a solution that is safe, secure and ready to implement.

Thank you for taking the time to review our submission and learn more about Merrco's e-commerce system solution for recreational cannabis consumption in B.C. If you have any questions regarding our technology, process or experience in the area, please do not hesitate to contact us.

Thank you again,

James McRoberts  
President, CEO & Director  
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# **On Cannabis Legalization and Regulation in British Columbia: From Grey to Green**



Submitted by: MMJ Canada  
on: October 23, 2017

Prepared by: Jamie Shaw

**Contents: Introduction (1), What is a Black Market? (1), What Does BC's Unregulated Cannabis Market Look Like? (1), Regulating Dispensaries with Federally Legal Supply (3), Conclusion (4), Recommendations (5), About Us (5)**

## Introduction:

Two of the most oft-stated goals of cannabis legalization are to restrict access to youth, and to keep profits out of the 'Black Market', particularly away from organized crime. These discussions often overlook important details regarding: the make up of the 'Black market'; the size of the 'Black Market', and that this 'Black Market' has already achieved both of these goals.

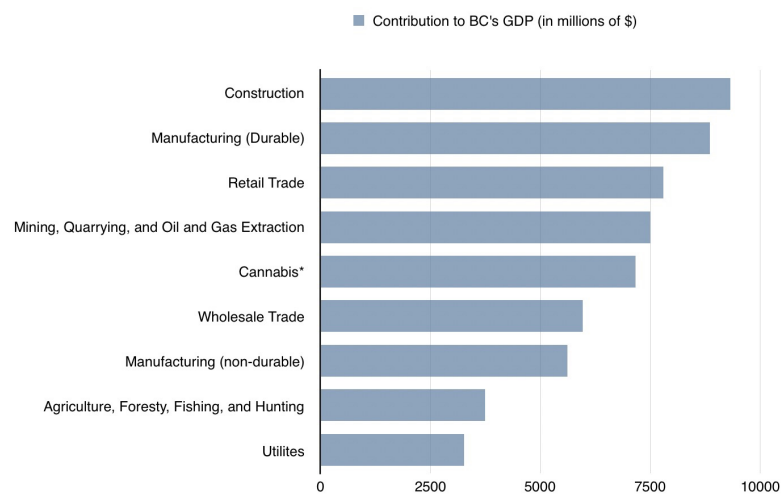
## What is a Black Market?

The term 'Black Market' typically refers to a) the illegal economy, b) the unreported economy, c) the unrecorded economy, and d) the informal economy. The unregulated cannabis trade in Canada is often comprised of all of these mainly because it has been mostly illegal. A large informal component has also always existed in the cannabis community, as cannabis can be an effective item for barter, and for obvious reasons, much of it has been both unreported and unrecorded.

This however, does not apply to the majority of dispensaries, who charge and remit tax on cannabis, as well as proper payroll and income reporting. While this is often overlooked, it is also often not understood that dispensaries are simply one access point to a supply that exists independently of them.

## What Does BC's Unregulated Cannabis Market Look Like?

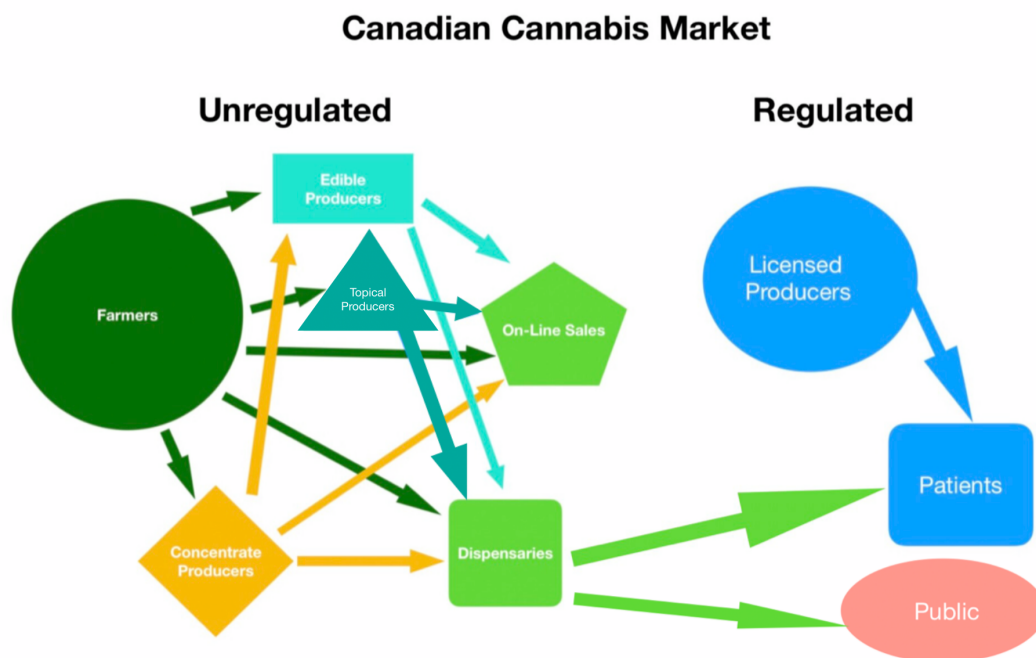
When the Fraser Institute issue Policy Sources #74 in 2000, it estimated the size of the British Columbia cannabis economy at 7.1 Billion. Comparing this estimate with the GDP of other industries reveals it to be a major factor in BC's overall economy.



Source: Statistics Canada (CANSIM table 379-0030)  
\*based on the Fraser Institute's Public Policy Sources #74

At this time, the number of dispensaries in all of Canada was still in the single digits, and options available consisted of a few strains of dried cannabis, a few varieties of Hash, and maybe a tincture.

In 2017, BC's legal cannabis economy includes only a few Licensed Producers, and a few labs. The illicit economy includes thousands of growers, hundreds of edible and concentrate manufactures, topical manufactures, specialists such as dog treat makers, and developers of suppositories, vaginal and otherwise. Some are strictly medical, some are not, but all are supplied and supported by the services of ancillary industries, and all are major contributors to BC's economy, and all will continue to be illegal after legalization.



This is the current reality of access in Canada. It is also worth noting, that while BC had the largest illicit industry in Canada for a long time, provinces such as Nova Scotia and Ontario have developed at a rapid rate in the last few years. While cannabis from BC was once a staple, very little is now going to these provinces, as they are developing their own local industries, including all the same components found in other jurisdictions such as BC, Colorado, and Washington.

It is also worth noting that this model has proven to actually lower youth use rates. In 2012, a study covering 16 states with medical cannabis laws, and 18 years of health data showed that there was no increase, and in fact, a slight decrease in youth usage rates.<sup>1</sup> An even larger 2015 study of twenty years of data from 48 states again showed no increase in use in those states with cannabis laws.<sup>2</sup> This study also noted that dispensaries did not increase accessibility to minors.

These findings are consistent with data coming out of British Columbia as well. In 2009, the McCreary Institute began publishing its Adolescent Health Surveys. Results at that time showed cannabis use by youth at 30%, with 13-14 cited as age of first use. In Vancouver, youth use was lower than the provincial average at 24%. It also noted that these rates had already been declining for a decade, which roughly coincides with the founding of the first dispensaries in BC.<sup>3</sup>

<sup>1</sup> [http://blogs.chicagotribune.com/files/anderson\\_hansen\\_rees\\_2012.pdf](http://blogs.chicagotribune.com/files/anderson_hansen_rees_2012.pdf)

<sup>2</sup> [http://www.thelancet.com/journals/lanpsy/article/PIIS2215-0366\(15\)00267-9/fulltext](http://www.thelancet.com/journals/lanpsy/article/PIIS2215-0366(15)00267-9/fulltext)

<sup>3</sup> [http://mcs.bc.ca/pdf/a\\_picture\\_of\\_health.pdf](http://mcs.bc.ca/pdf/a_picture_of_health.pdf)

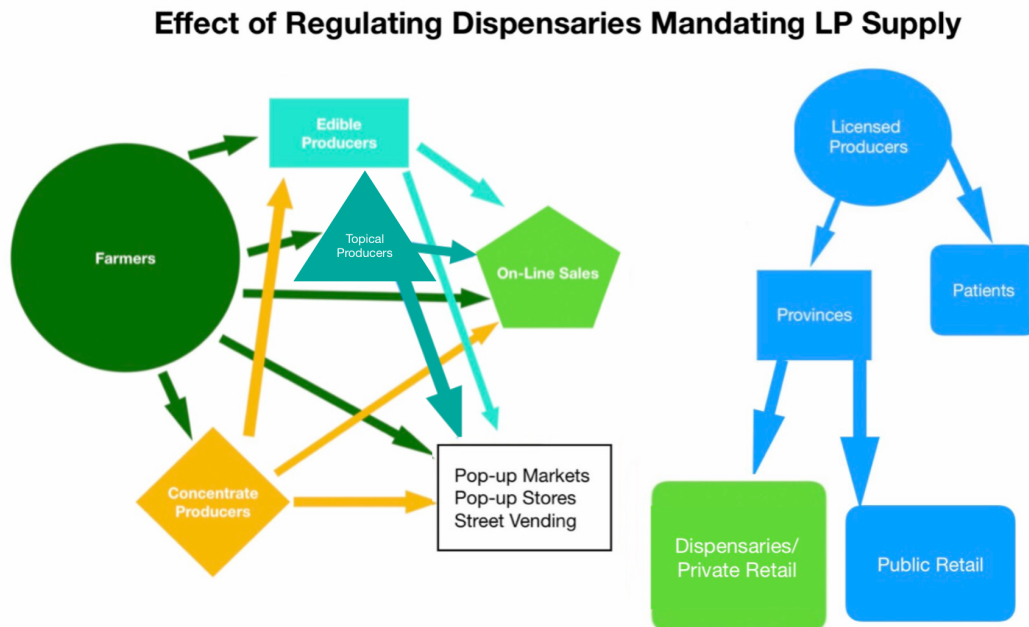
In 2013, with the number of unregulated dispensaries in Vancouver alone well into the double digits, the youth use rate dropped to 17% in Vancouver, where the age of first use had also been delayed to 14-15. The survey did not specify between authorized medical use, and recreational use.<sup>4</sup>

## Regulating Dispensaries With Federally Legal Supply

Regulation is already happening for some of these business, and not just in Vancouver and Victoria. Inaction, or unconstitutional action on the part of successive federal governments allowed the Provinces to turn a blind eye. This left cities on the front lines, as they always are on social policy issues, without any real leadership on the issue.

While Vancouver and Victoria are most often discussed, Port Alberni and Nelson have developed licensing regulations for dispensaries, and other cities such as West Kelowna and Kimberley have simply licensed them under existing classes. Penticton had issued temporary permits, and across the country, Halifax Nova Scotia has begun issuing occupancy permits to dispensaries.

The only problem with this regulation is that without the involvement of other levels of government, it is limited in what it can do to achieve the stated goals of legalization. The proposed framework for Alberta includes private retail, mandated to sell federally Licensed Producer product obtained by the Province.



You can see in this chart, that regulating existing dispensaries(where possible) to retail Licensed Producer cannabis would succeed in bringing their expertise and experience within a regulated

<sup>4</sup> [http://www.mcs.bc.ca/pdf/AHSV\\_Vancouver.pdf](http://www.mcs.bc.ca/pdf/AHSV_Vancouver.pdf)



framework. However, what it also does is remove the one and only spot public health officials and regulators can access the illicit market with any consistency.

Until this supply is addressed, the legal market will not succeed in replacing it. For over 80 years, constant enforcement, arrests, increasing penalties, fines, removal of children from parents and asset seizures have not resulted in the diminishing of this market. Instead, we have seen it grow from outcasts, hippies, and bikers, to young families seeing a way they may finally be able to afford a home, middle-aged women starting bakeries to help others, to help pets, others making vaginal suppositories for menstrual cramps, young people unable to find employment anywhere else, or who want to work in a place where they can see the difference they make in people's lives, and family members of those whose suffering is relieved by cannabis.

During all this time, access to even this unregulated market of cannabis has proven to not have anywhere close to the health impacts of other, legal, drugs. Cannabis has also been consistently found to be less harmful (and more beneficial) than tobacco, alcohol, and opiates, and anything that restricts access during this time of a severe opioid crisis.

## Conclusion

When the need to remove the black market is discussed, the myths and untruths surrounding this issue hampers government's ability to accurately comprehend the reality. The involvement of Organized Crime is negligible, yet this is what the sound bytes tend to focus on. The reality is that the majority of BC's unregulated cannabis industry is extremely local, with base product created in almost every community, and secondary processors equally well-rooted. The demographics of which include everything from young aspiring chemists working in extraction sciences, to older women creating products such as vaginal suppositories.

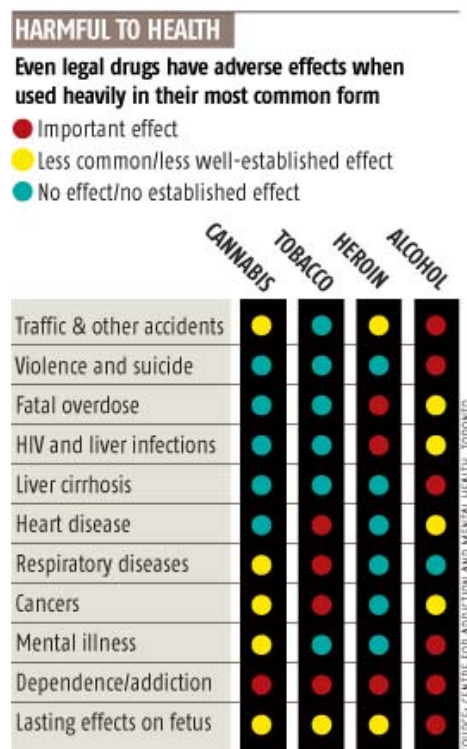
While the other main area of focus has been dispensaries, this discussion too has been flawed by a lack of understanding of just how deep and varied the supply chain is.

The reality is that dispensaries are the only point at which the current black market can be accessed in any meaningful way by regulators and public health officials.

As we have seen in Toronto, when dispensaries are fought, and their numbers hold at a point below the demand for their services, that supply then funnels through Pop-up markets, illegal on-line sales, and cannabis events.

Even in Vancouver, where the number of dispensaries has only been slightly reduced, we are already seeing people simply set up tables in public areas to sell cannabis products.

Alberta's framework calls for private retail to sell product the government will obtain from Licensed Producers. This approach may work well in Alberta, as its local market is magnitudes smaller than BC's. If BC attempts the same approach, or similar, the local market will simply continue in an unregulated manner. Many dispensaries may try to comply, but the lack of diverse product, and quite likely the lack of product at all, will ensure their unregulated competitors (other dispensaries, pop-ups, online sales) will thrive for years to come.



## Recommendations:

### 1) Whereas:

- a) One of the goals of legalization is reducing youth use rates;
- b) Another goal of legalization is restricting access by youth, and;
- c) Dispensaries have a track record of achieving both;

Therefore, **the Provincial Government should recognize existing dispensaries, and assist municipalities with local zoning and licensing efforts.**

### 2) Whereas:

- a) Cannabis is much less harmful than either tobacco or alcohol;
- b) Cannabis use can be significantly more beneficial than either of these substances;
- c) Cannabis has been used effectively to quit or reduce the intake of tobacco, alcohol, and opiates;

Therefore, **Cannabis should be regulated no more strictly than alcohol and tobacco, and a priority should be placed on research and programs regarding cannabis as an opiate replacement.**

### 3) Whereas:

- a) The illicit cannabis trade has been one of the backbones of the economy of BC for decades, and;
- b) The expected capacity of Licensed Producers to supply a recreational market is severely lacking;
- c) One of the goals of legalization was to end the black market in cannabis;

Therefore, **the Provincial Government should insist the Federal Government allow BC the ability to license and regulate local Producers to sell within the Province.**

## About Us

### MMJ Canada

Medicinal Mary Jane Iprio Inc. (operating as MMJ Canada) is a private operator and owner of several storefront medicinal marijuana dispensaries in Canada. MMJ Canada employs almost 200 staff members. MMJ Canada is the first dispensary in Canada to adopt the Responsible Vendor program through the Trichome Institute that is founded and based out of Colorado to ensure all of our staff members are as qualified and properly educated on the use and effectiveness of Cannabis and its products as possible. MMJ Canada is committed to transitioning to a legal framework, and has licensed locations in Vancouver and Nelson, and is working on licenses in the other jurisdictions in which they operate.

### Author

Jamie Shaw is the only court certified expert on the dispensary industry in Canada, and her testimony in the Allard Trial (on personal growing) led Justice Phelan to note her testimony as 'very important, as dispensaries are at the heart of access.' She lobbied successfully for dispensary regulations under prohibition in Vancouver, Victoria, and other cities, and consulted closely with both Vancouver and Victoria on the crafting of their bylaws, and Nanaimo staff on their study of cannabis business regulations. She currently serves as Government Relations Director for MMJ Canada, and is available to act as a resource to local governments when crafting their own bylaws and regulations. She is a former Director of the BC Compassion Club Society, and a former President of the Canadian Association of Medical Cannabis Dispensaries. She also sits on the advisory board of NICHE Canada, and is a Director of the BC Independent Cannabis Association.



NATIONAL ACCESS  
**CANNABIS**  
let's talk **answers**

## National Access Cannabis: The Balanced Approach B.C. Cannabis Legalization and Regulation

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SUBMISSION TO THE MINISTRY OF PUBLIC SAFETY AND SOLICITOR GENERAL

OCTOBER 30<sup>TH</sup> 2017

## Introduction

National Access Cannabis (NAC) operates a nationwide system of 12 distinctive health care centers (one located in Victoria, BC) providing medical cannabis information, education, supply assistance and medical liaison services to over 10,000 Canadians. The consistent delivery of top-quality, attentive service and a broad product offering continues to drive the success of NAC's medical arm. NAC does not sell cannabis; it provides information and education about medical cannabis. In July 2018, NAC stores will also sell cannabis for recreational use by building on the service-rich retail model from our existing medical model. Our model will have distinct factors focusing on a safe distribution method that has its roots in harm reduction through patient, now consumer, education and risk-reduction focusing on education surrounding mental health issues and safe, responsible consumption of a new product.

The NAC retail model focuses on interaction with customers. Once NAC clients acquire a prescription for medical cannabis, they spend an average of 40 minutes with NAC staff learning about the advantages and disadvantages of various products, strains and ingestion methods. Post-legalization, National Access Cannabis would follow a similar retail model, emphasizing safety and security, while providing access to a full range of legal cannabis products. Priority shelf space will be given to made-in-British Columbia Licensed Producer product through NAC's existing partnerships with Tilray, Broken Coast and CannaFarms.

To support this transition, NAC will leverage all of its current assets, including the expertise and experience of frontline staff, existing business systems, supplier networks, training and employee programs, centralized support and combined purchasing power. By providing the information and advice to consumers – particularly to those who are relatively new to the recreational use of cannabis – NAC will help to ensure that the implementation of legalization achieves the objectives established by the Government of British Columbia.

## Minimum Age

NAC encourages the province of British Columbia to recommend 19 as the legal age for the adult-use market. This is based on recommendations from Bill C-45 and the acknowledgement that 18 years of age may increase the availability and use of cannabis to younger teens, and 21 years of age will not deter black market activity. Setting the age at 19 also aligns with the minimum ages for alcohol, tobacco and BC's age of majority. NAC recognizes the largest recreational consumption age group is 18-24, and emerging evidence suggests that cannabis use could affect brain development up to age 25.

In addition to public education campaigns geared towards the health and addiction risks, research has shown that youth need to be targeted before they enter the age where young people begin to experiment with drugs and alcohol, focusing on effects

on body and brain development. NAC would work with law enforcement and the public school system to ensure prevention and intervention education plans are in place for legalization.

## **Personal Possession Limits**

### **Adult**

NAC recommends that the province of British Columbia align with Bill C-45 and other provinces in suggesting a maximum public possession limit of 30 grams. It is important to note that medical patients will be able to possess up to a maximum of 150 grams, if their authorization allows, requiring law enforcement to be trained on correctly identifying medical cannabis users.

### **Youth**

NAC agrees, consistent with Bill C-45, that young people under the age of 19 will not be able to grow, purchase or possesses cannabis but should not be criminalized for possession of relatively small amounts of cannabis. This approach would mean that youth possessing less than 5 grams of dried or equivalent cannabis will not face criminal charges, but over 5 grams the youth would be subject to confiscation, notification of parents or guardians, and face the same penalties that are in place in British Columbia for persons under 19 who possess alcohol.

## **Public Consumption**

NAC feels British Columbians should be able to consume cannabis in their homes and some public spaces, where smoking tobacco is allowed. We believe that transportation of product to the person's home should be tolerated in a vehicle, but zero tolerance for smoking in a vehicle.

We also feel that British Columbia should look at the potential of licensing designated consumption areas, like cannabis lounges and cafes, once the provincial system is established.

## **Drug-Impaired Driving**

Driving while impaired, whether by alcohol, cannabis or other drugs, is a serious crime and puts the safety of everyone at risk. NAC supports mandatory drug and alcohol testing on all police stops with suspected drug-affected drivers. In addition to this NAC will clearly display the penalties associated with driving under the influence of drugs in all clinics.

NAC believes the government should allocate additional funds to training more provincial and national police forces believing the front line authorities have the greatest ability to detect and thus deter drug influenced driving.

NAC would financially support the efforts and public awareness campaigns of Alive to Drive, MADD and other stakeholders.

## **Personal Cultivation**

Health Canada has reported that at the end of June 2017, British Columbians accounted for 32% of the total Personal and Designated Production in Canada.

NAC feels that British Columbia should align with the federal government's decision to allow adults to grow up to four plants per household for personal use, up to a maximum of 100cm.

Allowing British Columbians to grow at home with seeds purchased through federally regulated licensed producers will be an effective tool in helping to reduce black market activity.

## **Distribution & Retail Model**

NAC believes that the best way to continue to advance the social, justice and security concerns in time for recreational cannabis becoming legal, is through the development of an innovative and competitive private-sector model.

The cannabis retail market will require an enhanced consumer driven experience, centralized around product knowledge and net effects of the product's use. A private retail operation has the ability to gear training towards a more centric consumer experience that is educational and experience driven, versus a directional quantity approach that is presently used in the crown-run model. Private companies have the ability to adjust quickly to consumer demands and change not only inventory, but also the buying environment to enhance the consumer's needs. A crown-run model is stagnant, where a private retail model will be dynamic and changing. Education will need to be at the forefront of new product innovation and advancements in the cannabis industry.

Rarely do monopolies facilitate normal market forces in solving important problems such as providing least-cost access to product, without unnecessary delays and to a wide geographic range of people. Economic opportunities to multiple participants in the cannabis business are lost. Moreover, a government monopoly diminishes the opportunity for Indigenous economic participation and benefit.

There is, however, a crucial role for government to play in creating a comprehensive regulatory and legislative framework that it can enforce with rigorous safety-related testing infrastructure. NAC is an advocate for strong government regulations and legislation and a private-market model that allows experienced, safe, well-governed, well-financed and well-disclosed companies to compete for consumer demand in the recreational cannabis market.

The private model eliminates the risk to the sitting government in an untested revenue environment. A private approach allows for the collection of licensing fees and taxes without the infrastructure cost to develop a province wide business, with no short-term guarantees on having a payback period that can be defined.

NAC would select potential retail locations in convenient areas, based on consumer purchasing potential and accessibility to would-be consumers. The harder it is to access, the more likely a consumer will continue to use the black market. However, locations should not saturate the community. It is one thing to have cannabis be legal, it is another thing to normalize and encourage its use.

NAC's employment, hiring and training practices will be geared to have front-line employees specialized in knowledge of the application of products, the methods of consumption and the positive and negative effects of the products' use. This will include the impact of cannabis when combined with other drugs, the dangers in operating vehicles and equipment, issues surrounding consumption in the workplace and the penalties associated with misuse of the product. The consumer will become fully informed at point of sale of the positive and possible negative effects of consuming cannabis.

NAC is a publically traded company on the TSX:V. As a publically traded entity we have built in-transparency; who owns more than 10% of the ownership, who the directors and officers are. There is nowhere for organized crime to hide within our organization. The nature of needing to manage by the best interests of the shareholders creates an inherent accountability to do the right things the right way.

## **Expression of Interest**

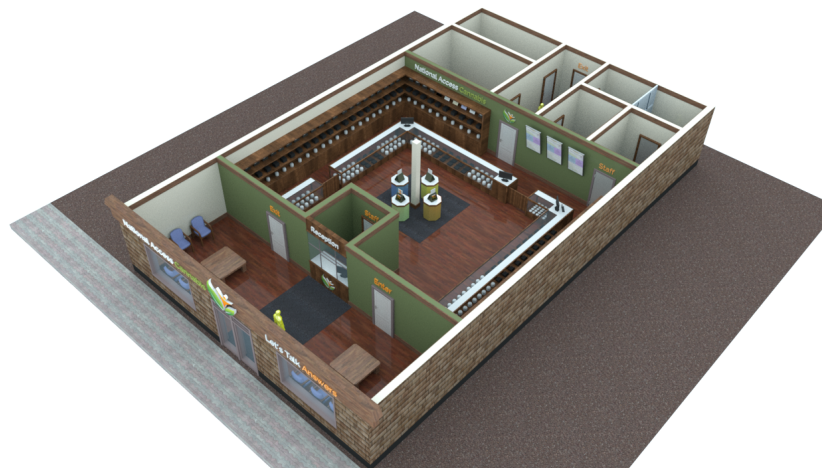
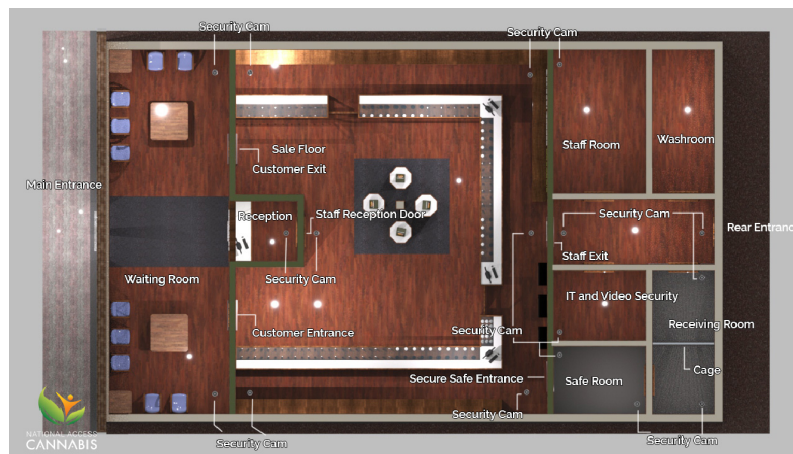
NAC can work with the Provincial Government to geo-target a balanced approach of retail access, and can commit to as many stores as required to support British Columbia's access to safe cannabis. Reasonable access would be a location for every 25,000 in population. This would balance access without dotting the landscape with cannabis retail. Therefore, British Columbia requires an estimated 185 retail access points. At an assumed capitalization of \$500,000 per store to create safe and secure access, BC requires \$100,000,000 to launch the retail component. NAC has the access to capital and operational resources to have as many legal locations as required for July 1, 2018.

With a centralized head office offering: Management, Internal Controls, Oversight, Security Monitoring, Online Sales, Inventory Management, Recruitment and Hiring, Training, Payroll, Bookkeeping, Accounting, Vendor Management, Banking, Technology, Reporting and Supply Agreements, NAC can ensure BC the best in class accountability and security that will provide the balance between consumer satisfaction and Government community protection.



Lastly, we understand that the Provincial Government has a unique set of circumstances due to municipal tolerance of both legal and illegal dispensaries. NAC would work with the Province to manage through the transition, helping to bring a structured business system and security to those current illegal dispensaries that the Government choose to help sanction into the legal future. We respect that the Provincial Government needs to seek a balanced approach and NAC believes we can help.

## NAC Retail Store Concept



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**Hon. Mike Farnworth  
Minister of Public Safety  
And Solicitor General**

**October 14, 2017**

Thank you for your letter dated September 27, 2017. I appreciate the opportunity to submit our recommendations for the legalization of cannabis in BC.

I'm the President and Executive Director of the **National Association of Cannabis Professionals (NACP)**.

**Our goal** is to support *individuals* working in the cannabis industry to meet established professional standards, ensuring public safety.

**Our role** is to promote, protect and monitor the work of Canadian cannabis professionals. We accomplish this by monitoring adherence to our professional and ethical standards, our NACP screening and certification process, and facilitating self-regulation of our members. We also support the growth and development of our members by cultivating strategic partnerships with legitimate cannabis education institutions (such as Kwantlen University).

We're **very concerned** that as we move into the legalized cannabis space, licensed producers (LP) and dispensaries will be overwhelmed with customer demand, but may be putting the **public at increased risk** with under or unqualified employees. To date, most LP's and dispensaries have trained workers on the job, foregoing any requirements for professional and ethical standards, professional development, or certification.



**The NACP recommends the following regarding minimum requirements for cannabis professionals. Cannabis professionals must:**

- a) Have a background in at least one of the following areas: science, agriculture, health, and/or professional customer service.
- b) Participate in continuing education/professional development.
- c) Work within a professional framework.
- d) Be held accountable for their professional conduct (beyond their employer requirements).
- e) \*Applicants who have cannabis related offense, receive amnesty and inclusion in the cannabis industry.
- f) Have a central organization such as the NACP, providing cannabis professionals with the professional, ethical, practical and logistical support to meet cannabis professional requirements.

**The NACP recommends the following concerning the legal framework for Cannabis in B.C. We recommend that the province:**

1. Makes space for private distribution and retail within the legal framework.
2. Avoids the centralized warehousing of fresh cannabis.
3. Considers 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.
4. Allows cannabis lounges, to keep widespread consumption off the street, and allow the distribution of single-dose cannabis products at these locations.
5. Advocate strongly for amnesty, expungement, and inclusion for convicted cannabis offenders.
6. Considers harmonizing with neighbouring provinces, with regards to age.
7. Considers medical access and distribution, which is a constitutionally protected right, separately from the non-medical model.

We are encouraged by the inclusive nature of the legislative process. We appreciate the opportunity for our (and our members') voices to be heard.



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[www.cpoofcanada.ca](http://www.cpoofcanada.ca)  
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[facebook.com/TheNACP](https://facebook.com/TheNACP)

We believe our philosophy, mission and mandate align well with what the Provincial government is trying to accomplish.

We understand the how incredibly important it is to ensure professional competence is a provision of legislation to protect public health and safety.

Yours Truly,

Carolyn C. Tinglin MSc MEd(c)  
President  
National Association of Cannabis Professionals

October 30, 2017

## Submission to the BC Government Engagement Process

The National Institute for Cannabis Health and Education (NICHE) is pleased to submit input to the BC Government regarding the legislative and regulatory framework that will form the basis for a cannabis regime. We believe collaboration between government, the cannabis industry and the health, education and public safety sectors will benefit all British Columbians.

It is important to note that just as governments are struggling to determine appropriate roles, regulations, and programs, so too is industry trying to establish business practices and corporate strategies that not only meet the business goals of establishing a new and highly innovative sector, but also to fulfil its responsibilities as good corporate citizens.

At NICHE, we are working with industry to establish college-based training programs to meet the training needs of the sector, as well as hosting government and industry discussions to identify common challenges and collaborative approaches.

The findings of the federal Task Force on Cannabis Legalization and Regulation, and the experiences of jurisdictions such as Colorado and Washington state made it clear that governments and industry must work together to develop a regulatory framework for the sector, in order to achieve shared goals of developing a globally competitive industry while safeguarding public health and safety.

As the government works to develop a legislative framework for legal cannabis, key areas of focus in this submission include i) public education ii) industry development iii) support for employers iv) public safety and v) public health.

### Public Education

***Public education is the foundation for the successful implementation of a legalized cannabis regime: we must keep our youth safe, keep our roads safe and reduce the impact of criminal activity. This will happen through education.***

Experiences in the United States serves to inform appropriate education campaigns in British Columbia. A key consideration in the legalization of cannabis was to keep it out of the hands of our youth. The well-documented risks in under age youth underscore the importance of harm prevention and deterrence strategies through

education. School based programs and government funded advertising campaigns will help inform youth and parents of the dangers of underage use.

Additionally, data shows that youth do not believe cannabis-impaired driving is a risky behaviour, while the majority of drug-related fatal motor vehicle incidents are associated to cannabis use. Drug impaired driving is a major concern for police across Canada and in the absence of approved screening devices, education and prevention are key to prevent an increase in drug impaired driving casualties will be needed while the police develop well established enforcement strategies.

Another federal government rationale for a legal regime is to interrupt the involvement of organized crime in the cannabis market. As the government works to develop and monitor a balanced pricing and taxation scheme to eliminate the criminal element, a public education campaign to this end may be necessary. Encouraging the purchase of legal cannabis will support industry and reduce the dependence some may have on illegally produced and sold cannabis.

Given the potential of initial supply shortages the public should be kept informed as products become available. The public should be educated about the importance of quality control with respect to pesticide use and other contaminants to build confidence in the post prohibition industry.

## Industry Development

***Collaboration between industry, post-secondary institutions, government and public safety stakeholders will be required to ensure a well-established seed-to-sale production and delivery model.***

Extensive collaboration between industry, post-secondary institutions and government will be required to create a well-trained, well-educated and prepared work force to meet both legislative and consumer demand. Research and data will be an important tool in the evolution of provincial regulations to ensure public health and public safety goals are met. Technological advancements will impact on cannabis production and retail products (including the future of edibles). Established, government approved curriculums will be needed to remain ahead of the curve. It must be stressed that professional training needs to be provided at post-secondary institutions with respect to all steps in the seed-to-sale system. Existing programs for medical and health care professionals, including pharmacists and pharmacologists, would greatly benefit from government investments for funding new research and training development.

We are satisfied that the task force recommendations take fully into account the pros and cons of both retail and mail-delivery distribution models. On the medical front, we reiterate the potential value of utilizing the existing pharmacy infrastructure nationwide, for those pharmacies that are equipped and willing to enter this market.



Even if pharmacy distribution is not widespread, licensing some pharmacies to work with producers would be superior to an alternative in which consumers have limited, or no access, to someone with professional knowledge on drug interactions and risk factors.

We concur with the recommendation that staff in any retail storefronts are professionally trained. Good training has the potential to mitigate negative drug interactions and overdoses by providers educating any potential consumers about pertinent risk factors. Similar to training for the alcohol service industry, retail cannabis employees should be trained and certified through a ‘serving it right’ model that teaches employees to recognize signs of impairment and how to handle underage attempts to purchase.

With respect to personal cultivation, the rationale for height restrictions should be carefully assessed, so that rather than an arbitrary limit being set, there is a clear understanding on how height affects the amount of harvestable product, potency, and cultivation methods. The breed of the plant may indeed have a greater impact on these factors than height. Additionally, height restrictions may require a different approach for those who wish to grow outdoors, with the caveat that visibility and security measures are in place. If personal cultivation is allowed, it may be in the interests of environmental sustainability and reduced electrical use that outdoor growth is a viable option.

## Business and Employer Support Structure

***Cannabis employment policies will be developed and tested with very little data to depend on; the burden of this new area of employment policy and law should not be borne solely by employers and business owners in British Columbia.***

Private business owners and public institutions will require government leadership in developing policies and practices for the workplace. Workplace impairment will be a significant issue for a number of sectors including transportation, public safety and emergency services, health care, education and resource-based jobs that require critical thinking and decision making.

It is unknown what restrictions employers will be able to legally place on employees until policies are tested under labour law or challenged within human rights frameworks. There are a variety of governing bodies that will impact on the future of workplace policies including WorkSafeBC and the BC and Canadian Human Rights Tribunals. As employers work to develop policy that is fair and balanced, collaboration will be required between government and employers, which may include training and education programs, grant funding for policy development and guidance by organizations such as WorkSafeBC.





## Public Safety

***The BC government has stated that public safety is a key factor in the development of legislation; drug impaired driving and youth access to cannabis can be addressed along with education, through appropriate police training and resources.***

Police leaders across Canada have voiced concern regarding drug impaired driving. It is imperative based on the experiences in Colorado and Washington that provincial laws and legislation reflect the importance of the issue.

Reducing administrative burdens for police by including cannabis under the Immediate Roadside Prohibition program would likely be as impactful as it has been for alcohol. British Columbia is recognized across North America as having some of the toughest and most effective drunk driving laws, and by including cannabis in the IRP program, government will be sending a strong message to the public regarding drug impaired driving.

Organized crime creates significant public safety risks for British Columbians. In order to effectively undermine the potential criminal presence in a legal cannabis regime, the government should ensure police have the resources needed to investigate and enforce federal and provincial laws related specifically to cannabis. In addition, an effective pricing and taxation scheme will need to be examined to create competitive pricing structures that effectively undercut illegal cannabis.

## Public Health

***Public health policy should include a focus on youth and vulnerable populations, quality control and a safe supply chain.***

Public health considerations should focus predominantly on youth and vulnerable populations. Setting the minimum age of consumption at 19 years old will coincide with alcohol legislation, while potentially delaying the use of cannabis in teenagers.

Cannabis consumption should be prohibited in public places where children are likely to be present (ie. Parks, beaches, etc) and cannabis smoking restrictions can easily complement current smoking regulations. Special consideration and potential exemptions may be required for medical cannabis users, with the exception of cannabis smoking where children gather.

Cannabis product quality control will be important to ensure consumers are not at risk of excess pesticides and other contaminants. A properly funded inspection strategy that examines seed-to-sale production of cannabis products will ensure a legal and safe supply chain.



## Closing Remarks

The BC Government is to be commended for this comprehensive stakeholder engagement strategy. Within the thousands of submissions, there are likely many common themes that are reflected in this document. All levels of government agree that public health and public safety are key factors in developing laws, legislation and by laws, and input from subject matter experts on supply chain, law enforcement, industry development and human resource implications will aid in the development of a well-balanced provincial mandate. Collaboration is key during this development phase as well as post-legalization to ensure provincial legislation meets the needs of British Columbians.

As the president and CEO of NICHE, I welcome further discussion between our stakeholder group and government as we work to develop and refine post-secondary training, enhance industry-wide collaboration and build best practices models for all businesses in the seed-to-sale supply chain.



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## **NEIGHBOURHOOD PHARMACY ASSOCIATION OF CANADA'S SUBMISSION ON CANNABIS REGULATION TO THE GOVERNMENT OF BRITISH COLUMBIA**

### **INTRODUCTION**

The Neighbourhood Pharmacy Association of Canada (Neighbourhood Pharmacies) appreciates the opportunity to provide this Submission Brief respecting cannabis regulation to the British Columbia Ministry of Public Safety and Solicitor General's Cannabis Secretariat.

Neighbourhood Pharmacies represents Canada's leading pharmacy brands who deliver high value, quality care to Canadians in all models including chain, banner, long-term care, specialty and independent pharmacies as well as grocery chains and mass merchandisers with pharmacies. We advocate for community based care through leveraging our members' high accessibility and proven track record of providing optimal patient care closer to where patients live, work and play. By leveraging the over 10,000 points of care with pharmacies conveniently located in every neighbourhood across Canada, Neighbourhood Pharmacies aims to advance sustainable healthcare for all stakeholders.

We appreciate that the Federal Government's decision to pass Bill C-45 and legalize non-medical or recreational cannabis by July 2018 places the responsibility on the BC government to undertake the necessary policy and administrative work needed to prepare for and implement its policies regarding recreational cannabis. And, given the uniqueness of the BC cannabis environment, compared to other jurisdictions, we commend the Government of BC for implementing the consultation process related to the legalization of recreational cannabis.

### **SUPPORT FOR BCPHA POSITION AND RECOMMENDATIONS**

At the outset, we wish to express our general support for the BC Pharmacy Association's (BCPhA) response that opposes the BC government's position that separates the public policy and decision-making on recreational and medical cannabis. This approach may be workable in most other Canadian provinces, but is not applicable in BC. Over the past number of years, for a variety of reasons, access to cannabis at a retail level in BC has become unique in that the illegal cannabis "dispensaries" are well established and operated, in many cases under the pretense of selling their product for medicinal purposes. According to Statistics Canada, over 400,000 people use cannabis for medical reasons. Of those, only 130,000 are buying their medication through the government approved, legal mail order Licensed Producers (LPs). This substantiates the BCPhA's and Neighbourhood Pharmacies' position that hundreds of thousands of Canadians are buying their "medicine" from unregulated retailers selling cannabis of unknown origin and with the potential to cause negative impacts to human health.

We also support the BCPhA's two recommendations to the Government of BC 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".
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.

## OVERVIEW OF NEIGHBOURHOOD PHARMACIES SUBMISSION

Neighbourhood Pharmacies members wish to ensure that the legislative and regulatory environment currently being shaped for the legalization of cannabis is one that results in a safe and reliable system, where both medical and recreational cannabis are considered as distinct entities. We believe that BC's pharmacies are best positioned, with the expertise and infrastructure to allow medical cannabis to take its rightful place among treatments in the patient-centric health and wellness space of pharmacies. Our members are uniquely able to manage the sale, distribution and dispensing of medicinal cannabis.

Last year, Neighbourhood Pharmacies made a submission to the *Task Force on Cannabis Legislation and Regulation*. Our members strongly believe that the *Access to Cannabis for Medical Purposes Regulations* (ACMPR) under Section 56 of the *Controlled Drugs and Substances Act* should be amended so that pharmacists can be authorized to distribute and dispense medical cannabis, consistent with the manner in which hospitals and physicians are authorized under the ACMPR, and to ensure that the sale of recreational cannabis is implemented safely and securely. Pharmacies play a significant role in managing the distribution of controlled products and they would be committed to work with all levels of government to ensure that recreational cannabis products are sold legally in pharmacies and that youth consumption is effectively prevented.

Key provisions of the *Cannabis Act* are summarized with Neighbourhood Pharmacies' recommendations for amendments to help the Government deliver on its commitment to legalize, regulate and restrict the use of cannabis in a safe and responsible manner. The overarching theme of the *Cannabis Act* is to prevent youth from accessing cannabis, promote and protect public health and safety and deter cannabis-related criminal activity. The *Cannabis Act* provides the federal government with significant authority to regulate the possession, production, distribution and sale of cannabis for recreational purposes.

## ACCESS TO RECREATIONAL AND MEDICAL CANNABIS

The legalization process of cannabis should include two different streams:

1. A Medicinal stream for patients with conditions where there is evidence of the therapeutic benefits of medical cannabis; and,
2. A Recreational stream, which should be under a restricted and controlled environment to manage the potential harmful side effects and usage among minors.

Neighbourhood Pharmacies' members are well positioned to manage the distribution and patient access effectively, to achieve optimal outcomes for patients taking medical cannabis therapy and mitigating adverse events. Patients and doctors already rely on pharmacists to advise on all medications and medication management, including herbal products.

In the current environment, most Canadians are unaware that most persons receiving medical cannabis do so without any real degree of clinical advice that, by contrast, comes with other prescribed or recommended therapeutic products. This is a potentially dangerous practice that does not serve the health interests of British Columbians. Many patients may also be receiving medications for other conditions, e.g. diabetes or high blood pressure. However, the consumption of cannabis in combination with blood thinners or benzodiazepines can lead to low blood pressure, increased risk of bleeding, and disruptions in blood sugar levels. Suboptimal medication management can lead to diminished therapeutic effectiveness, and adverse health events.

In addition, while there is some evidence that cannabis used for medical purposes can be effective in treating chronic pain, chemotherapy-induced nausea and multiple sclerosis symptoms, clinical evidence is limited and inconclusive on its efficacy for many other conditions such as mood disorders, post-traumatic stress syndrome, and inflammatory bowel disease. This lack of solid clinical evidence underscores the need for pharmacists' oversight on medical cannabis use, and providing access in pharmacies will improve the likelihood of safely achieving optimal therapeutic outcomes.

- Canadians trust their pharmacist, more than 40% had reported going to the same pharmacist for more than 5 years.
- The College of Family Physicians of Canada has guidelines for the use of medical cannabis treatments that would differ from recreational use.
- Our members have appropriate systems and processes already in place to manage medications effectively – pharmacies are equipped with sophisticated software to monitor drug therapies, monitor usage and to track drug interactions.

Medicinal cannabis should be available in pharmacies by prescription, based on the form and strength related to the condition of the patient, which requires a healthcare provider to assess and continually monitor. For recreational cannabis, the product should be accessible in different strengths and forms to differentiate it from the medicinal product. Recreational cannabis should also be available in a retail pharmacy setting, thus ensuring the rollout to the public is done in a responsible and restricted method to help manage the potential social implications.

Medical cannabis is a viable alternative to opioids:

- Canada is leading in opioid consumption worldwide.
- Although opioids have more medical research, they can pose greater risk to patient health and safety, with detrimental social impact.
- Pharmacists can make recommendations to physicians that patients switch to cannabis as a safer alternative.
- Cannabis delivered other dosage forms not requiring smoking; pharmacists have clinical credibility to steer patients from smoking.

## **SALE AND POSSESSION**

Cannabis should fall under Government Regulations to determine minimum standards including, but not limited to: age restriction, product packaging, distribution and sale location, form, strength (THC), health warning messages, advertising, marketing, access and limits on personal possession quantity to protect youth and children and prevent commercialization. While others may try to step into the role of selling cannabis, pharmacies are the right channel for distribution and dispensing of medical and recreational cannabis for the following six reasons:

1. Pharmacies are readily accessible across all communities – a ready-made rural, suburban and urban network.
2. Proper clinical advice would help ensure those with medical needs are receiving proper treatment and use guidelines. It would allow easier supervision to reduce the risk of dependency. It would also ensure there would be no interference with other prescription treatments the patient may be using.
3. Despite being a natural product, cannabis is known to have serious side effects and potential interactions with prescription medications, as noted above. Therefore, the seemingly uncontrolled access, to cannabis in BC increases the likelihood that cannabis will negatively impact the health and safety of the public. Research indicates a strong association of cannabis use by youth and young adults with the onset of psychiatric disorders, development and cognitive effects, in addition to breathing problems, increased heart rate, and the increased possibility of addiction in individuals who frequently smoke. Health Canada warns that the use of cannabis while intoxicated with alcohol presents an “acute health risk” – thus liquor store distribution could increase this risk.
4. Patients and doctors already rely on pharmacists to advise on all medications and medication management, including herbal products.
5. Neighbourhood Pharmacies members are well positioned to manage the distribution and patient access effectively, to achieve optimal outcomes for patients taking medical cannabis therapy and mitigating adverse events.
6. Pharmacies can leverage an existing pharmacy distribution network that currently handles controlled substances safely. Our members have safeguards in place for medication inventory management and to prevent theft and diversion.

## LICENSING, PROMOTION, PACKAGING AND LABELLING

Developing a regulatory framework is only the first piece of this complex public policy challenge. Implementing the framework and ensuring that there is the capacity and infrastructure needed to support it is also vital. Review should be taken for medical and recreational cannabis to provide the product a controlled identifier, similar in nature to a Natural Product Number (NPN), to control the allowable strength and form of the product and increase the traceability of the product. This will ensure a safe distribution and tracking of the product. All dispensing of cannabis should be entered in a patient's electronic health records to manage potential drug interactions and contraindications. This would also allow for the product to be appropriately tracked for limiting the quality or frequency of dispense.

Pharmacists have the necessary tools to begin Pharmacy Dispensing of medical cannabis. Tools have been created to train pharmacists on dispensing medical cannabis:

- Cannabis Reference Guide: Provides robust clinical information and evidence; Includes dosing, side effects, indications for pharmacists.
- Strain Selection Tool: Guidance for physician/pharmacist strain selection; Based on indication, THC levels, medical conditions, etc.
- eLearning Module: CCCEP accredited online course for pharmacists to learn about cannabis and its place in therapy.

The current ACMPR system should be immediately amended to include pharmacies and pharmacists for distribution and dispensing of medical cannabis, mirroring how hospital and physicians are in the ACMPR. Therefore, allowing pharmacies and pharmacists to be part of the “circle of care” of medical cannabis patients, as other healthcare providers who are already playing this role.

Implementation of a standardized tracking number (PIN) for pharmacy to ensure proper documentation and tracking of the intended use of the dispensed product. In moving towards bringing medical cannabis into pharmacy, patient access should be enabled while medical cannabis goes through the process for a DIN to be assigned. In the interim, medical cannabis can be handled in the same way as methadone was handled when it was non-DIN preparation.

## CANNABIS TRACKING SYSTEM

A well-functioning supply chain will keep communities' safe and ensure that cannabis misuse, abuse and diversion is minimized. BC pharmacies can leverage its sophisticated pharmacy distribution network that currently handles controlled substances safely. Our members have safeguards in place for medication inventory management and to prevent theft and diversion. Implementation of a standardized tracking PIN for pharmacy to ensure proper documentation and tracking of the intended use of the dispensed product.

In addition, Health Canada has rigorous standards and protocols in place to ensure the safe delivery of narcotics from manufacturer to front line distributors:

- British Columbia's pharmacy distributors already have standards for driving safety.
- High security distribution centers - fully compliant to Health Canada regulations.
- Top level security and tracking for narcotics and controlled substances.
- Fully supported cold chain for temperature sensitive products.
- Driving efficiency and performance.
- British Columbia's pharmaceutical distributors execute order lines annually with greater than 99.9% accuracy.

## CONCLUSION AND RECOMMENDATIONS

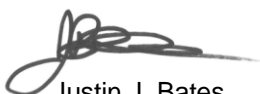
In developing our recommendations, we have outlined six critical conditions that must be met for British Columbians to have safe access to cannabis while ensuring the protection of the public.

1. **Ensuring Patient and Public Safety:** As with any medical treatment, there should be as high a standard as possible of protection set for the medical cannabis industry. From production to distribution, the treatment must be secure and product un-tampered with.
2. **Differentiating Medical Cannabis as a Treatment Option:** Medical cannabis is already a prescription-based therapy and the courts have ruled the public has a constitutional right to access. Making a clear distinction between appropriate access to a physician prescribed treatment option opposed to recreational cannabis is vital to ensure the credibility of the treatment. As with any prescription, clinical advice and usage guidelines would differentiate it from a recreational product.
3. **Establishing Proper Training for Physicians and Pharmacists on Medical Cannabis:** With an aim of reducing risk to patients, education and training should be provided with evidence-based guidelines to provide patients with secure and appropriate care.
4. **Protecting the Supply Chain:** Continuing best practices from the existing MMPR system and those already in place when dealing with narcotics in pharmacy care, it is integral to the system to ensure safe delivery of the product from producer to patient. This maintains the integrity of the product, while limiting its diversion.
5. **Utilizing Existing Infrastructure:** Exploiting current practices and infrastructure to reduce unnecessary duplication and delay. This promotes the safety of the product by better leveraging the existing pharmacy system. Only pharmacies and their distributor partners have the necessary broad and seamless distribution system across Canada.
6. **Improving on the Present Industry - Healthcare Provider Environment:** Pharmacies are strongly aligned in bringing medical cannabis patients into the circle of care by leveraging the inter-professional collaboration with physicians in support of optimal patient outcomes for British Columbians. There is a need for all health providers, including pharmacists, to play an active role in the discussion regarding how best to provide proper care to patients in the government's plans for cannabis legalization.

A properly functioning regulated model that incorporates pharmacies should address the current limitations of the ACMPR system, as well as deal with the challenges inherent in the black and gray markets. Only pharmacies can offer the in-person clinical advice, ease of access, security, and high-quality care to patients. Our professional experience with the complexities of managing controlled products and reputation among British Columbians, enable pharmacy to be the ideal retail space for recreational cannabis to be sold legally and safely within the legal age requirements. Our members are uniquely positioned for the sale, distribution and dispensing of medicinal cannabis and should be at the table to ensure that access to recreational cannabis is implemented in a safe and secure method.

Neighbourhood Pharmacies welcomes the opportunity to provide this information and recommendations to the Government of British Columbia. We believe that pharmacies across British Columbia are uniquely placed to help the Government deliver on its commitment to legalize, regulate and restrict the use of cannabis in a safe and responsible manner. With all this in mind, we respectfully request that the Government of British Columbia consider writing to the federal Minister of Health, Hon. Ginette Petitpas Taylor, asking that Health Canada undertake amendments to the ACMPR, for all the reasons described above. We also encourage the Government of British Columbia to engage with Neighbourhood Pharmacies, as the voice of Canada's pharmacy business, on this critical public health policy issue.

Sincerely,



Justin J. Bates  
Chief Executive Officer



# NextGenbio.ca BC Government Stakeholders Submission

NextGenBio is a professional, vertically integrated, biotech venture whose business is to assist in the marketing of cannabis derived brands with a focus on absolute control from seed to final retail sale. Our BioCanna inventory control system has the ability to seamlessly integrate with other inventory control systems already approved by Health Canada to track Licensed Producer's products using third party software solutions such as Ample Organics and Canna Culture. Our system utilizes technology from a European manufacturer which has many years of experience in both the dispensing of pharmaceutical products throughout Europe, as well as in focus groups designed to develop the most advanced Secure Inventory Control system for the retail market. NextGenBio has an experienced, talented and balanced management team uniquely qualified to implement beta test sites with the logistics to span the entire country. Items that can be displayed and sold through this system include all manner of cannabis products such as pre packaged cannabis extractions, as well as premium quality dried cannabis strains from a Health Canada approved source. The BioCanna system will also be able to handle any future products soon to be potentially made permissible by government regulations such as edibles, liquid consumables, tinctures, skin topicals, etc.

The following represents the company's positioning statement in this field of opportunity: BioCanna's core business strategy is that of a vertically integrated organization, centering the company's strength around the control and consistency of security and inventory control at the highest level. The company has assembled a strong team to execute its strategy as the industry unfolds in the years to come. To that effect, the management of NextGenbio and Biocanna have taken the approach of legalization from an entirely different perspective. How would the Government prefer to see legalization roll out? Many other stakeholders and patients have a wide variety of suggestions and ideas that could certainly help. Our approach has incorporated discussions and interviews with key personnel in private and government Liquor distribution roles, retail pharmaceutical representatives, and local municipal staff. After many months of research, we have compiled these three recurring key components that summarize our findings:

- A) **Public safety and security** - Safe access to tested and/or Health Authority approved products are no different than what you would expect to see at any visit to your local liquor store, pharmacy or restaurant for that matter. These industries may not seem to be interrelated on the outset but all follow the same set of principles - they all must meet the provincial and local governments standard to operate a safe business in the Province of BC.
- B) **Access to minors / How this can be stopped?** - Anyone under the age of majority is at any time exposed to the possibility of attempting to access illicit products either out of curiosity or exposure to opportunists. The safe distribution and limited accessibility in access controlled environments is important to everyone.
- C) **Legal sources only** - Whether it may be Health Canada approved licensed production facilities, Provincially licensed and regulated craft producers (patient groups, artisan, etc.), or a combination of the two working together, the Government of BC must be assured that business metrics as would be expected in any other professional, well run industry are followed. This requires businesses in this emerging market to follow the laws set by local government and to be accountable and professionally operated. In addition, they must report properly, e.g., submit and acquire all required licences and pay all fees and taxes as expected by government.

***Our unique and proprietary solution to security and control of Cannabis derived branded products has been developed to be the leader in North America. We believe we have a unique security and inventory control system for the retail environment, that addresses safety, security, blocks access for minors, and allows for proper revenue tracking and inventory control. It addresses concerns related to proper taxation, as well as insuring regulatory integrity away from gray and black market enterprises. It is a solution that law enforcement can be comfortable endorsing, that will assist in the safety of the community at large.***

In a few short years it will be hard to imagine why Cannabis has been in a form of prohibition since 1937. Medicinal Cannabis has been legal in Canada for medical purposes since 2002. Society and the laws in North America continue to evolve seeking the optimum arrangement for the cultivation and monitored distribution of the products that can be obtained with a myriad of beneficial applications in both the medicinal and recreational markets. The Canadian government has made a commitment to legalizing Cannabis in all forms for recreational use by no later than late spring or early summer 2018. We have developed a proprietary **Cannabis Retail & Inventory Control System (CRICS)** to assist with distribution, and monitored for the government from seed to final sale.

***The system identifies the client and the employee that operates the hardware components, tracking all transactions, making this a transparent process that is trackable and flexible to changing government needs with a simplicity afforded into today's modern business environment.***

**The problem we face:** In the spring of 2014, Health Canada began granting limited special Licensed Producer (LP) licenses for private enterprises to grow cannabis in large-scale facilities. The goal was to improve quality, efficacy, consistency and ability to control the creation of the myriad of strains that produce different effects and treat specific needs. An obvious problem in this emerging industry in Canada is the lack of safe access to cannabis products. BioCanna aims to create an optimum distribution and control system, where the consumer enjoys maximum confidence in product and service and is also able to obtain these products in a safe and convenient location. This is a very high profile problem in Canada as it transitions from a system allowing only medicinal use to full recreational legalization, now less than a year away.

#### **Consider our solution:**



The NextGenbio Group has developed a state of the art inventory control system that includes the BioCanna Automated Dispensing Machine (ADM) - able to seamlessly operate within whatever Cannabis distribution system is devised by the Province of BC. Whether it is managed through the Liquor Control and Cannabis compliance division, within a private dispensary, pharmacy, government controlled retail outlet, or other form of secure retail location, the state of the art intelligent retail kiosk ADM system will allow secure product storage, a high level of usability and programmability, as well as ID swipe age verification. In addition to these security features, the ADM includes a proprietary inventory control system that provides real-time statistics regarding sales, inventory levels, and other valuable statistics via internet enabled reporting. This also includes a client database tracking system that is capable of emailing sales receipts and compiling purchase-based statistical feedback as well as

product information education for consumers. These ADMs are not meant to be stand alone “vending style” machines - more like employee assisted automated dispensing units.

**Assumptions.** Some consider the liquor store environment or model within Canada to be an ideal sales distribution system. Liquor Distribution offices in each province already handle a government controlled substance; taxes are already applied and remitted in a strictly controlled system; and customers must be of proper age and be able to demonstrate local identification documents to prove this on a regular basis. It is felt that there will be a strong crossover in the customer profile of the current average Liquor Store patron. The group has been developing a state of the art inventory control system that has an additional hardware component a computer controlled logistics hardware system - Automated Dispensing Machine ADM - to seamlessly operate, for example, within the private Liquor Retail Store environment for recreational purposes as well as Pharmacies for specific product access for medical patients. NextGenbio is working with the revolutionary BioCanna ADM - a hybrid between a secure bank ATM and an intelligent retail kiosk. This system provides secure product storage with the ease, reliability and cost effectiveness of automated retail along with a considerable reduction in labour costs, product knowledge and education, coupled with an age and patron eligibility verification process per transaction. Rounding out the system is the proprietary Inventory control system that provides vital logistics and a client database that will work intelligently to track preferences, and predict trends to be communicated directly to our consumers.

NextGenbio seeks to be permitted to operate a limited test market within BC and other test markets in other provinces working in conjunction with the Independent Liquor Store Association and/or the BC Pharmacy Association or any other permissible environment in creating the optimum model for cannabis distribution within a reliable, established retail system. This paper is meant to begin that discussion and will focus from this point forward on how this will work with the Private Liquor Retail/Government Store model as an example. It is our goal to be participating in these discussions within 60 to 90 days :

1. To work with the BC Liquor Control & Licensing branch along with the Cannabis Compliance Division to authorize and subsequently create a Beta Test platform that would operate in 5 to 15 LRS outlets and or Government stores for a one year test run.
2. To create an optimum pricing schedule and operating manual for how the Retail Inventory Control systems will function within the Private and Government Liquor Store Environment. Ease of operation for staff and customer experience for both is paramount.
3. Deploy into over 160 LRS and Government liquor stores across the province within 2 years.

**How it works:** The BioCanna ADM intelligent retail kiosk was designed with state-of-the art design features that include a “No Drop” robotic shelf that gently picks up the product, delivers it and presents it to the customer, all in one motion. The BioCanna ADM has a small footprint and has a maximum capacity of up to 1,480 product SKU’s with its standard floor configuration. A modular system, it is easily expandable by doubling its capacity simply by adding a second Product Display Unit (PDU) to the other side of the touch screen console (a slave unit). The PDU can be installed on site and the software design has the flexibility to build a client database and customer loyalty program as required in each distinct market.

Kiosk management will be handled by the BioCanna distribution team who will be consulting with 3sixty Secure Corp (<http://www.3sixtysecure.com>) to deliver, maintain inventory levels, train operational staff and troubleshoot operational maintenance of each machine. The kiosks feature a sophisticated inventory management system and are capable of unique identification of each customer. The kiosks will be networked to a server which monitors and records inventory levels, purchases tracked by

customer, kiosk functionality and inventory controls. Furthermore, the inventory area of the kiosks have the ability to be climate controlled to ensure product freshness. The BioCanna ADM can dispense any type of Cannabis products, including branded accessories such as vaporizers, e-pens, edibles, sodas, or other retail products showcasing a wide variety of product depth. There are currently over 2,500 pharmaceutical products ADM kiosks, some with low level controlled pharmaceutical substances operating across Western Europe.

**Conclusion:** The Legal cannabis industry is among the fastest-growing markets in the world and it is growing at a rate poised to outpace the expansion of the global smartphone market. British Columbia is poised to emerge as a Global Leader. NextGenbio and Biocanna are ready to expand at the rate and speed permitted by government authorities. The future of complete control of each and every transaction in the province is here. Our system ensures for the control, management, transparency and security for all cannabis retail transactions in the province of BC. We look forward to assisting in anyway we may be of service.

Please feel free to reach out and contact us for any further information or questions at :

**NextGenBio**

**Victoria, BC**

[www.nextgenbio.ca](http://www.nextgenbio.ca)

Contact us at: [info@nextgenbio.ca](mailto:info@nextgenbio.ca)

**Please visit our video Link :**

<https://drive.google.com/open?id=0BzNGgLS9sWpbSV8zTU5TR2N0Qm8>

## NORTH SHORE STANDING COMMITTEE ON SUBSTANCE ABUSE

### MISSION STATEMENT

*The North Shore Standing Committee on Substance Abuse will support community organizations to reduce the impact and incidence of substance abuse on the North Shore through advocacy, collaboration and leadership.*

The North Shore Standing Committee on Substance Abuse met on Wednesday, October 25, 2017 and discussed the key considerations for cannabis legalization and regulation in BC. The Committee is providing the following recommendations, with a focus on public education, research and evaluation:

#### Minimum Age

- There was consensus that the minimum age for cannabis correspond to the minimum age for alcohol to avoid confusion with different age requirements for each substance. The committee recommends that the minimum age be set to 19 with an educational component around the ramifications of cannabis use and how to reduce harm.

#### Personal Possession - Adults

- The committee did not oppose the amount of 30 grams for personal possession; however, the possession amount should be for personal or social use only, and not for resale purposes. The committee recommends that a personal possession limit of zero be imposed in or around school grounds.

#### Personal Possession – Youth

- The committee agreed that the possession limit for youth should be zero but that punishment for possessing small amounts of cannabis should be administrative as opposed to criminal in nature.

#### Public Consumption

- Members discussed the perception and effects of second hand smoke and accordingly, the committee recommends that the same restrictions for tobacco be imposed on cannabis use. The committee also recommends that within moving vehicles and in public places such as schools, parks, playgrounds, beaches be included in the restrictions.

#### Drug-Impaired Driving

- Concern was expressed that there may not be technology to standardize roadside testing. The Committee indicated a consensus with the Federal government's recommendation that different levels of THC could be associated with penalties. The committee recommends that the same standard as alcohol impaired driving be imposed on cannabis use, a zero tolerance when cannabis is combined with alcohol, and a zero tolerance around drivers with an "N" or "L" licence. The committee further recommends more research be undertaken to develop roadside and lab tests and that funding is available to provide more resources and staffing to enforce regulations.

## NORTH SHORE STANDING COMMITTEE ON SUBSTANCE ABUSE

### **MISSION STATEMENT**

*The North Shore Standing Committee on Substance Abuse will support community organizations to reduce the impact and incidence of substance abuse on the North Shore through advocacy, collaboration and leadership.*

### **Personal Cultivation**

- The committee recommends a 5 plant limit, and that growing cannabis be for personal use and not for re-sale purposes.

### **Distribution Model**

- The committee recommends that cannabis distribution be in a designated shop, separate from alcohol, and run by government.

### **Retail**

- The committee recommends that local governments be able to control retail through zoning.

Respectfully submitted:

**NORTH SHORE STANDING COMMITTEE ON SUBSTANCE ABUSE**  
**October 2017**



**Submission to the British Columbia  
Cannabis Regulation Engagement**

In response to *Cannabis Legislation  
and Regulation in British Columbia*

NOVEMBER 1, 2017





## 1.0 Executive Summary

Nuuvera Corp. (“Nuuvera”) is a Toronto-based global cannabis and industrial hemp company operating internationally. Nuuvera is quickly emerging as one of Canada’s leading, vertically-integrated cannabis companies. Our focus is on enhancing and leveraging Canada’s highly regarded cannabis products (particularly in British Columbia), both domestically and internationally. Cannabis-related innovation touches on many important areas of public policy, key among them being health. The pharmacological potential for the cannabis plant is just being developed in the most sophisticated global laboratories and technology hubs. Our strategy, as a Canadian company, is to understand how to enhance our domestic market potential in a prudent, responsible manner here and abroad.

We have reviewed the Discussion Paper issued by the Ministry of Public Safety and Solicitor General, *“Cannabis Legalization and Regulation in British Columbia”* (the “BC paper”), and are pleased to have this opportunity to provide comments on certain key issues raised therein. The BC paper focuses on matters within provincial jurisdiction. However, certain of those issues are interlinked with federal matters and how they are managed and considered. Accordingly, we have taken the liberty of raising such issues as appropriate.

For example, the manner in which BC-based growers are licensed, as well as product quality control, are matters of federal jurisdiction. However, without uniform regulatory standards that comply, at a minimum, with global standards prevalent in Europe and elsewhere, the Canadian cannabis sector may be prevented from engaging in the growth of this burgeoning industry. Of course, in order to do so, import and export of cannabis products must be permitted at the federal level. In light of various environmental issues which will impact this nascent industry, we are hopeful that the federal government may consider such measures, in order to manage anticipated supply shortfalls and also to promote Canadian cannabis product, and in particular, “BC bud”, internationally.

As a progressive, trade-dependent nation, Canada – and all provinces - should consider carefully the economic, employment, trade and revenue opportunities that present as a result of the legalization of cannabis.

- As a global leader in liberalizing the legal status of cannabis, Canada is uniquely poised to develop and enhance trade and scientific partnerships with the many western nations that have also signalled or legislated liberalized cannabis policies;
- British Columbia is ideally positioned to be central to Canada’s global leadership in forming trade, scientific and pharmacological alliances to promote the tremendous untapped potential of the cannabis plant. “BC bud” is a “brand” with significant global traction. In order to maintain and grow its market, BC must consider the opportunity to demonstrate thought and industry leadership at this critical juncture in the cannabis industry;
- Serious concerns have been raised among industry-watchers regarding the strong likelihood of significant supply shortages in medical marijuana supply that will occur when recreational use is legalized in July 2018. This would likely be accompanied by a supply shortfall in the recreational market as well. Several European markets are already experiencing quite significant supply challenges in medical marijuana. Increased access in certain countries in the coming year, like Germany and Italy, will only exacerbate this market condition.
- Supply matters can be addressed by less stringent import/export regimes than are currently in place in Canada and elsewhere and we are seeing early indications of such movement internationally. It is important for Canada to be attuned to and aligned with such liberal trade practices.
- In addition to having a price impact on cannabis products, a shortage would also likely divert additional business to the “black market”/criminal sector; a development that all governments are quite rightly intent on reducing. To manage this negative effect requires foresight and planning.

## 2.0 Economic and Innovation Opportunities

### 2.1 Canada as a Trading Nation

Canada is self-branded and perceived to be a global leader in international trade relations. This is attributable to the cross-partisan priority placed by successive provincial and federal governments on creating and promoting the conditions and opportunities for Canadian companies to compete and succeed internationally. Free trade and foreign investment agreements, particularly in the last few years, have made significant international markets more accessible to Canadian enterprise. Of course, the *quid pro quo* is that Canada be open to receiving foreign products.

Globally, the public policy discourse with respect to cannabis is shifting rapidly as many countries in Europe, Central and South America, Israel and certain states in America are liberalizing policies with respect to growth, production and consumer access to cannabis. Certain jurisdictions are demonstrating openness to significant reforms including, on an exception basis, permitting the export and import of cannabis. This encourages cross border trade and allows for a freer flow of information and scientific collaboration.

It is unfortunate that cannabis was stigmatized for many decades. This enduring perception slowed the development of treatments for a wide range of medical conditions. As attitudes change and the global cannabis industry matures, regulation will follow. Canada is regarded globally as a sophisticated, advanced nation and is well placed to lead this sector internationally.

As the market grows and matures, cross-border trade will be critical to managing supply and demand issues that arise, as well as quality control, access and price. A stable market will ensure consumer satisfaction, stable tax revenue and a disenfranchised criminal/"black market" element.

Nuuvera encourages British Columbia to ensure that its review of cannabis legislation, regulation and public policy takes into account Canada's role in the world as a leading trading nation, and the strong connection between global trade, economic growth and jobs for British Columbians.

### 2.2 Expanding the Innovation and Pharmacological Ecosystem

In addition to traditional trade opportunities, Nuuvera strongly recommends that Canadian governments continue to focus on the potential for medical and scientific collaboration among regulated jurisdictions. For countries concerned with advancing medical and scientific applications of cannabis, an open trade in cannabis is essential to an open and productive environment for medical and scientific collaboration.

Cannabis-related research and development is progressing rapidly, particularly in the areas of pharma and health-related technology. Innovation regarding delivery systems, packaging and quality assurance are also key and dovetail with an enhanced tech capability, something which B.C. has cultivated well.

To maintain a competitive edge, international collaborations will be critical. R&D successes have allowed the medical community to treat various illnesses afflicting millions of people around the world. The unrealized medical potential of this plant is huge.

From our operational experience in Israel, in particular, Nuuvera is keenly aware of the robust innovation market that is focused on the cannabis industry. For more than a decade, Israel has been the only western country to allow clinical trials with cannabis, providing the country with significant knowledge and a competitive benefit. The Israeli economy is all about intellectual property ("IP"), and the government is primed to export this knowledge by way of growth, pharma and product innovation, to name a few.

In fact, the first cannabinoid, the medical protein for which the plant is prized, was identified in 1961 by Israeli chemist, Raphael Meshulam. At age 86, Dr. Meshulam continues to lead his esteemed lab staff at The Hebrew University of Jerusalem in their continued work with cannabis. In a recent discussion with Nuuvera personnel, he lamented the unnecessary suffering visited upon many thousands of children with pediatric epilepsy. A highly effective cannabis-related treatment was identified in the late 1960s but only became available in recent years.

Pediatric epileptics are but one example of those who have suffered needlessly. Recent cannabis research has notched significant breakthroughs in treating Alzheimer's, PTSD, arthritis, Parkinson's disease, chronic pain and cancer. Israel is a global leader in all aspects of the cannabis "industry": cultivation methods; pharmaceutical derivatives and products and BC would do well to avail itself of certain innovations pioneered there to gain a global advantage.

B.C. must be very astute in assessing the strengths and weaknesses in the province's market at every stage and consider how it may achieve the global market advantage it is so well-positioned to achieve.

### **2.3 Quality control/Assurance – Particularly in early years**

Nuuvera encourages the federal government to maintain the current *Access to Cannabis for Medical Purposes Regulations* (ACMPR) as a central part of its Bill C-45 legalization and regulation of recreational use. All governments are very focused on maintaining the highest international standards for growing and production, meaning that any economic or scientific collaboration among nations will require adherence to such standards as a minimum threshold requirement. Furthermore, and more importantly, customer confidence in the product, whether medical or recreational, will turn on consistent and certifiable quality. For this reason, we strongly encourage B.C. to adopt such standards and practices.

## **3.0 Response to Specific Initiatives in the BC Paper (and Federal Position)**

### **3.1 Justice/Criminal Issues**

Nuuvera commends the Government of Canada for recognizing that the current system of cannabis prohibition requires significant modification and unnecessarily traps individuals within the criminal justice system for possessing small amounts of cannabis. Nuuvera generally agrees with the policy goals articulated in the proposed regulations surrounding the responsible use of cannabis.

Nuuvera supports Canada's and British Columbia's commitments to restrict access to cannabis for minors and Bill C-45's strong legal standards and punitive measures to prevent such outcomes. Nuuvera is also very sympathetic to the government's uncompromising stand on addressing and treating consequences of inappropriate cannabis use. As a responsible corporate citizen, Nuuvera is in the final stages of assessing a synergistic community partner to support in working to address social and health issues that may be related to cannabis use.

### **3.2 Provincial jurisdiction**

In respect of the issues raised in *Cannabis Legislation and Regulation in British Columbia*, Nuuvera recognizes the importance in balancing patient and consumer access and use with necessary measures to ensure public safety, health and confidence. This brokering of stakeholder interests has led to the following policy preferences in Canada:

- aligning the legal age of cannabis possession with the age of majority and possession of alcohol and tobacco;
- extending location restrictions on tobacco smoking and vaping to the non-medical use of cannabis, including leaving legislative room for local governments to further restrict consumption in particular public spaces;
- extending the use of administrative sanctions currently available for alcohol-impaired driving to drug-impaired driving; and
- establishing a public-private system of government warehousing and distribution with licenced private retail.

B.C. is currently considering the appropriate distribution model to implement in the province and captures, very concisely, at pages 7-8 of the BC paper, the pros and cons of the key options. Nuuvera is of the view that any distribution model must accommodate stakeholder concerns regarding underage access and other social challenges while ensuring that the BC consumer receives adequate information regarding the range of available

products. Canadian consumers are sophisticated and are accustomed to considering competing brands for alcohol and also pharma products. They should be trusted to do the same in the context of cannabis.

Nuuvera notes the government's suggestion at page 8 that "in a private system, it could be possible to allow some existing illegal dispensaries to transition into the legal system". In light of the above discussion regarding the importance of adhering to international standards to catalyze growth in the BC market, we caution that such measures may compromise BC's standing as a global brand leader as well as its market development potential in Canada and abroad. We suggest that the manner in which existing retailers and cultivators who operate today without ACMPR licences or with no more than, for example, Designated Person Production Licences issued under the now defunct Marihuana Medical Access Regulations, be transitioned carefully to the new regime.

We understand the importance of the artisanal cannabis sector to B.C. – economically and culturally – and recommend that such participants in the market be assisted to adopt any enhanced standards that are deemed appropriate by the Government in order to minimize disruption. Any adjustment challenges would be more than offset by the significant opportunities the market as a whole would encounter if their standards were compatible with those prevalent internationally.

If B.C. permits cultivation and production standards that are not consistent with those internationally, it may quickly become a siloed market, not just internationally but within Canada as well. Mobility of product is critical, and for that to transpire, market standards must be consistent among jurisdictions.

### ***3.3 Import and Export-Related Concerns***

While British Columbia may have the capacity to help reduce the possibility of supply problems in July 2018, Nuuvera's analysis is that demand will exceed domestic supply at that time, and for a considerable period afterward, giving rise to three key, related concerns with Bill C-45 and its proposed importation regime:

#### ***Supply and Demand Shortage***

The experience arising from the legalization of cannabis in other jurisdictions, such as Nevada, Colorado, and Washington raises legitimate concerns that there will likely not be enough supply to meet demand at the time of legalization of recreational use of cannabis in Canada. In fact, there are currently quite serious medical cannabis shortages, underscoring the likelihood that there will be a significant supply deficit. This will result in higher consumer costs and a strong "black market," two outcomes that the government has indicated, unequivocally, that it considers to be undesirable. As well, several jurisdictions in Europe face current or imminent supply issues. Exporting to these very large markets presents B.C. with a tremendous growth opportunity.

#### ***Increase in Black Market Activity and Youth Addiction***

The recent legalization experience in Colorado demonstrated clearly that when supply deficiencies are not managed the illegal cannabis sector thrives. Similar concerns have been reinforced at the provincial level, in particular by Ontario's Minister of Finance, Charles Sousa.<sup>1</sup> We believe that a thoughtful social and economic approach to this significant legalization program can minimize such consequences.

The Government of Canada has been clear that, in addition to reducing organized crime, one of its goals for the legalization of cannabis is to more effectively control youth access to cannabis, a public policy goal with which Nuuvera strongly agrees.

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<sup>1</sup> "Canada Ponders an Unusual Drug Problem: a Shortage of Marijuana" *Bloomberg*, 23 June 2017

## 4.0 Conclusion and Recommendations

As an emerging leader in the global cannabis industry, Nuuvera supports the Government of Canada's goal to legalize the use of cannabis for recreational purposes across the country by July 2018.

Based on sound data, we are very concerned regarding the virtual certainty that there will be significant supply shortfalls, particularly in the early years of legalization and the widely anticipated surge in demand.

We believe that in order to alleviate demand pressures, Canada must consider legislative amendments to allow for the import and export of cannabis and cannabis-related products from and to other jurisdictions.

In fact, we suggest that import and export will stimulate growth in the cannabis sector and will not result in job loss and disruption, as is feared by some. The latter effects are more likely to transpire if protectionist trade policies are implemented in the cannabis sector.

As a global leader in trade, it is incumbent on Canada to keep in mind Canadian jobs and economic prosperity, and to create the conditions and opportunities necessary for Canadian companies to succeed.

Nuuvera appreciates the opportunity to provide the Government of British Columbia with its views on *Cannabis Legislation and Regulation in British Columbia*. If the government has any questions or desires further elaboration, Nuuvera would be pleased to respond or elaborate<sup>2</sup>.

## 5.0 Overview of Nuuvera Corp.

Through its subsidiaries, ARA – Avanti Rx Analytics Inc. and Avalon Pharmaceutical Inc., Nuuvera holds a Dealer License (GMP) under the *Narcotic Control Regulations*, and Office of Controlled Substances, and is currently in the final stages of the Health Canada review process to become a Licensed Producer of medical marijuana under the ACMPR. In August 2017, Nuuvera completed an agreement with Aphria Inc. to become Nuuvera's Canadian cannabis production partner. As part of this new agreement, Nuuvera will fund the construction of a one million square foot cultivation facility in Leamington, Ontario. The facility will include an additional 350,000 square feet of ancillary support space, which will foster research and development efforts and create jobs and economic opportunities for the region.

Nuuvera believes that a global template for success lies in developing quality partnerships. We must have the agility to work with the "best in class" in every aspect of the cannabis sector; mining the world for advantage and leveraging it to the benefit of Canada and, particularly in the cannabis sector, British Columbia.

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## **B.C. Representative for Children and Youth Submission**

### **B.C. Cannabis Regulation Engagement**

#### **Background**

In April 2017, the federal government tabled Bill C-45, *An Act Respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and Other Acts*, in the Canadian parliament to legalize and regulate the recreational use of cannabis in Canada.

In July 2017, the Canadian Council of Child and Youth Advocates sent a letter to Prime Minister Justin Trudeau outlining concerns with the proposed legislation with respect to its potential impacts on the health and safety of children and youth.

In September 2017, the B.C. provincial government opened the public consultation on cannabis legalization and regulation. This brief is a submission to the provincial consultation on cannabis legalization.

#### **Underlying principles**

Cannabis use is common in North America, particularly among young people. In 2013, 26 per cent of students in Grades 7 to 12 in schools from throughout B.C. reported having tried marijuana.<sup>1</sup> Cannabis use can also be associated with risks for acute and chronic adverse health outcomes. These risks can include changes in brain structure and neurocognitive effects in adolescents related to intensity of cannabis use.<sup>2</sup>

The Representative recognizes that cannabis criminalization and conventional anti-drug messaging has failed to stem the use of cannabis by young people.<sup>3</sup> The end of a prohibitionist framework for cannabis is an opportunity to engage appropriate public health and public safety mechanisms to protect the health of children and youth. A public health-oriented approach to cannabis regulation can support a pragmatic approach by focusing on the harms of drug use rather than on the use itself. An appropriate public health framework can prioritize the reduction of health risks and social problems over goals such as punishment or drug abstinence.<sup>4</sup>

A public policy framework for cannabis can also focus on promoting public health through regulation of access, use of evidence-informed public health messaging, restrictions on advertising and promotion, and monitoring and surveillance functions.<sup>5</sup>

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<sup>1</sup> Smith, et al., 2014.

<sup>2</sup> Fischer, et al., 2017.

<sup>3</sup> Kirst, et al., 2015, p. e474; RCY, 2015; Centre for Addictions Research of B.C., 2016.

<sup>4</sup> Kirst, et al., 2015.

<sup>5</sup> Canadian Public Health Association (CPHA), 2016; Kirst et al., 2015.

Cannabis regulation must also strike a balance between creating an overly restrictive framework that encourages consumers (including youth) to seek products through the illegal market, and the risks of cannabis commercialization seen in other jurisdictions (e.g. Colorado and Washington).<sup>6</sup>

## Issues and Recommendations

### Disproportionate criminalization of youth

**Issue:** Section 8 of the federal legislation makes it an offence for a young person to possess more than five grams of cannabis, while for adults it will be an offence only over 30 grams. This treatment disproportionately criminalizes young persons based on their age and has the potential to further criminalize youth.

**Recommendation:** The provincial government request that the federal government amend Bill C-45 to remove this status offence.

**Recommendation:** The enforcement of cannabis regulations should be treated similarly to current regulations related to tobacco and alcohol; and, the province should take steps to avoid the criminalization of youth by allowing for non-criminal sanctions such as ticketing and confiscation.

### Minimizing the potential harms of cannabis use

**Issue:** Any regulatory framework established by the province must recognize the potential harms of cannabis use on the developing brain.<sup>7</sup> Additionally, one of the stated intentions of the federal legislation is to decrease youth access to cannabis. Regardless of how cannabis is legally regulated, some youth are still likely to find ways to access the substance, and the risks of youth becoming dependent on cannabis and driving while under its influence remain.

**Recommendation:** To minimize the potential harms of cannabis for youth, the province should ensure that public health principles be integrated into a regulatory framework. These principles are embedded in the recommendations included below.

### Minimum age for sale and consumption of cannabis

**Issue:** According to UNICEF, Canada has the highest percentage of children ages 11, 13 and 15 who report having used cannabis in the last 12 months.<sup>8</sup> Age restrictions will not prevent the use of all cannabis by youth, but can help delay the onset of use.

**Recommendation:** The minimum age for consumption be set at 19 to be consistent with provincial regulations for alcohol and tobacco.

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<sup>6</sup> Kirst, et al., e. 475; CPHA, 2016.

<sup>7</sup> Canadian Public Health Association, 2016; Grant & Bélanger, 2017, p. 2; Fischer, et al., 2017, p. e2.

<sup>8</sup> Centre for Addictions Research of B.C., 2016, p. 5.



**Recommendation:** The province work with federal, provincial and territorial governments to ensure a consistent regulatory approach to cannabis with the same age restrictions across provincial and territorial boundaries.

### **Cannabis distribution system**

**Issue:** Lessons learned from alcohol distribution suggest that government controlled stores are more effective than privately controlled stores in addressing the public health consequences of alcohol use.<sup>9</sup>

**Recommendation:** The sale of cannabis should only be permitted in retail outlets that are highly monitored and controlled by government.

### **Regulation of retailers**

**Issue:** Restrictions on retailers who sell alcohol and tobacco have been shown to be effective at reducing the promotion of products to children.<sup>10</sup>

**Recommendation:** A framework for restrictions on retailers to prevent the sale and promotion of cannabis to children and youth should include the following limitations:

- No sale of cannabis in retail outlets where children and youth are permitted to enter (e.g. grocery stores);
- Restrictions on promotional signage, hours of operation, days of sale and the geographic density of outlets;
- Requirements for warning signage describing the potential health risks of cannabis use similar to warning signage required for retailers of tobacco;
- Mandatory training programs for sales staff at point of sale, which include the health and safety risks of cannabis use;
- A set perimeter for cannabis outlets to ensure no cannabis sales take place in areas adjacent to where children and youth congregate including schools, playgrounds and parks;
- Prohibition against the sale of cannabis in retail outlets that sell alcohol;
- Restrictions on sale of cannabis in edible forms that could be attractive to children and youth (e.g. candy such as lollipops). Where edibles are permitted, products that could be appealing to children (e.g. chocolates) should be sold in tamper-proof containers.
- Escalating system of penalties for adults who supply children and youth with cannabis, similar to what is in place for tobacco in B.C.

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<sup>9</sup> Centre for Addictions Research of B.C., 2016, p. 3.

<sup>10</sup> Babor, et al., 2010.

## Regulating the potency of cannabis products

**Issue:** The current version of the federal legislation does not fully account for the potential harms of cannabis on the developing brain.<sup>11</sup> These concerns are particularly acute for children and youth with mental health challenges.

**Recommendation:** The harmful effects of cannabis be addressed by setting potency limits for cannabis products by either federal or provincial regulation, and that cannabis quantities and potency be restricted for those under the age of 25.<sup>12</sup>

## Labelling of products

**Issue:** While the federal legislation places limits on packaging that might be appealing to young people (Section 25), there are other packaging requirements that can support positive public health outcomes. These include plain packaging which has shown to be effective at reducing tobacco use.<sup>13</sup> Labelling should also include appropriate warnings as well as a “standard dose” measure”. The labelling of standard drinks for alcohol, for example, can help consumers determine if they have exceeded national low drinking guidelines.<sup>14</sup> A similar measure could be established for cannabis.

**Recommendation:** The province should ensure that all cannabis and cannabis-containing products are subject to plain packaging regulations. All cannabis products should be required to have labels which include evidence-informed health warnings, contraindications, harm-reduction messaging and information on accessing support services, product weight, number of “standard doses” and percent of tetrahydrocannabinol (THC) and cannabidiol (CBD).<sup>15</sup>

## Cannabis Use and Driving

**Issue:** In Ontario, cannabis-impaired driving is now more common than alcohol-impaired driving. Research also suggests that cannabis-impaired driving increases the risks of being in a motor vehicle accident.<sup>16</sup>

**Recommendation:** Invest in the development and implementation of programs for routine roadside detection of cannabinoids and determine suitable consequences for youth who are found to be under the influence.

## Promoting Healthy Environments

**Issue:** Given the potential health risks of second-hand cannabis smoke on children and youth, limitations should be placed on where cannabis products can be smoked.

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<sup>11</sup> CPHA, 2016, p. 5; Fischer, et al., 2017, p. e2.

<sup>12</sup> For similar recommendations see: CPHA, 2016; Grant & Bélanger, 2017.

<sup>13</sup> Smoke-Free Ontario Scientific Advisory Committee, 2017.

<sup>14</sup> Centre for Addictions Research of B.C., 2016, p. 4.

<sup>15</sup> See Centre for Addictions Research of B.C., 2016, p. 1; Canadian Public Health Association, 2016.

<sup>16</sup> Grant & Belanger, 2017; Boak et al., 2015; Papafotiou, et al., 2005.

**Recommendation:** The smoking of cannabis products be prohibited in places in a manner consistent with the B.C. [Tobacco and Vapour Products Control Act](#) and Regulations.

## Health Promotion and Prevention Strategies

**Issue:** Evidence-based education, prevention and guidance on cannabis use are key elements for reducing the public health harms of this substance. Conventional anti-drug messaging has been fear-based, not based on evidence and has promoted stigmatizing and discriminatory ideas about substance use. Recent research suggests that prevention programs that intervene at broader socio-ecological levels and which are grounded in constructivist approaches that foster skill building are more effective at reducing the harms of substance use.<sup>17</sup>

**Recommendation:** Invest in and implement a provincially funded public health-informed strategy to reduce the harms of cannabis use for young people. This strategy should be informed by the latest evidence of what actually works to reduce the harms of youth substance use. The strategy should, in particular, focus on providing credible information to youth about the health risks of cannabis and the safety risks of driving under the influence of cannabis, as well as strategies for reducing these harms.<sup>18</sup> Public health promotion strategies should be developed in consultation with youth and should reflect the diversity of youth in terms of gender, gender and sexual identity, culture and ethnicity, and where they live.

**Issue:** Use of cannabis during pregnancy may increase adverse outcomes for women and their babies, although further research is needed that can control for confounding issues such as tobacco and alcohol use and mother's age. Particularly as new research emerges, pregnant women, health care providers and policy makers could benefit from education on the potential effects of cannabis use during pregnancy.<sup>19</sup>

**Recommendation:** Any publicly funded health promotion strategy should include information for pregnant women and health care providers on any adverse effects of cannabis use during pregnancy and on any cautions about breastfeeding and cannabis use.

## Taxation and Pricing

**Issue:** Taxation can be used to encourage the use of less harmful types of cannabis.<sup>20</sup> Tax revenues can also be used to offset the harms of cannabis by encouraging reduced usage.

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<sup>17</sup> Hyska, 2013.

<sup>18</sup> See for example: *Canada's Lower-Risk Cannabis Use Guidelines* in: Canadian Research Initiative in Substance Use, 2017; Fischer et al., 2017.

<sup>19</sup> Gunn, et al., 2015.

<sup>20</sup> CPHA, 2016;

**Recommendation:** Similar to what has already been proposed for alcohol,<sup>21</sup> a variable taxation rate system should be established for all THC-containing products that is based on the concentration of THC, with higher-concentration products having a higher tax rate.<sup>22</sup>

**Recommendation:** A specific percentage of taxes collected from the sale of cannabis products should be prescribed in legislation to support research, public education, monitoring, harm-reduction and treatment of cannabis-related issues.

## Conducting a Child Right's Impact Assessment

**Issue:** Bill C-45 has not undergone a rigorous analysis to ensure that it conforms to Canada's legal obligations under the *UN Convention on the Rights of the Child (UNCRC)* and other core international law instruments that have been ratified by Canada.

**Recommendation:** The provincial government should request of the federal government that a Child Rights Impact Assessment be undertaken to ensure conformity with the *UNCRC*. A key aspect of this analysis should be widespread consultation with children and youth, pursuant to Article 12 of the *UNCRC*.

## Ensuring access to services

An RCY report on *Youth Substance Use Services in B.C.* (2016) showed that: availability of these services varies considerably throughout the province; the accessibility of services is limited by long-wait times; there is inadequate information on where to find services; and, there are too few services for Indigenous, pregnant and parenting, LGBT2Q+<sup>23</sup> youth, and youth who are marginalized due to poverty and other issues.

**Recommendation:** The province invest in research on the prevention and treatment of cannabis problems, establish a service-delivery model and fund a continuum of interventions, policies, and programs that can address problematic youth substance use including problems with cannabis. Funding for mental health promotion and treating mental illness in adolescents should also be increased.

## Ensuring Involvement of Indigenous Partners

**Issue:** The legacy of colonialism has resulted in health and social disparities for many Indigenous children in B.C. These same disparities can result in poor access to services including substance use services as well as health promotion strategies that do not take

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<sup>21</sup> Thomas, et al., 2009; Stockwell, et al., 2006.

<sup>22</sup> Canadian Public Health Association, 2016, p. 6;

<sup>23</sup> Lesbian, Gay, Bisexual, Transsexual, Transgender, Queer, Two-Spirit. The plus sign acknowledges the evolving aspects of sexual and gender identities.

into consideration local conditions and the cultural needs of Indigenous children, youth and their families.<sup>24</sup>

**Recommendation:** The province should consult with Indigenous bands, nations and communities as well as Indigenous youth on adapting legislation, regulations, health promotion, prevention and treatment programs to meet the needs of Indigenous children, youth and their families.

## **Conduct on-going monitoring and data collection**

**Issue:** The availability of reliable data on the use and harms of cannabis use among youth is essential to understand the impacts of regulatory frameworks. This data can be used over the long-term to help inform changes to B.C.'s approach.

**Recommendation:** Invest in a reliable approach to monitoring and reporting on the effects of cannabis regulation on the use and harms among young people.

## **Conclusion**

The mandate of the B.C. Representative for Children and Youth is to help children, families and caregivers navigate the often complex service system – in addition to carefully monitoring the services provide to these children as well as investigating and reporting on individual cases and larger trends to spur necessary improvements. In all matters the Representative's Office brings to light the need for policies and programs that are child- and youth-centred and that achieve the best possible outcomes for vulnerable children and youth in B.C.

To that end, the implementation of a regulatory framework for recreational cannabis use must be informed by a focus on the well-being and health of children and youth in B.C. This means recognizing that cannabis use can have a harmful effect on developing brains and can become a problem for some youth.

The Representative urges policy- and decision-makers to recognize these risks and to invest significantly in appropriate public health controls, as well as sound and evidence-based education and awareness programs. These programs cannot focus on one-off presentations about the dangers of drugs, but must be embedded in constructive and on-going efforts to help children and youth to develop awareness of themselves, their relationships and their environments in holistic ways and to enable them to make health enhancing decisions.<sup>25</sup> Health promotion and prevention efforts must also recognize the

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<sup>24</sup> Representative for Children and Youth, 2015.

<sup>25</sup> See the IMinds curriculum as an example of this approach. Available through the Centre for Addictions Research of B.C. at: <https://www.uvic.ca/research/centres/carbc/assets/docs/iminds/iminds-primer-web-en.pdf>

diversity of children and youth in B.C. and be able to speak to these differences in meaningful ways.

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# Legalization of Non-Medical Cannabis Submission for the Cannabis Legalization and Regulation Secretariat

## Pain BC Stakeholder Submission

OCTOBER 31, 2017

FOR FURTHER INFORMATION, PLEASE CONTACT:

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### Introduction:

Pain BC commends the Government of British Columbia for its consultation process on the provincial regulatory framework for the legalization of non-medical cannabis, in advance of the implementation of the Cannabis Act.

As an organization dedicated to improving the lives of people in pain, we contend that the needs of patients who use cannabis for medical purposes must remain at the heart of policy reform as the Province of British Columbia moves ahead to accommodate the federal legalization and regulation of cannabis for personal use.

Our submission outlines some of the needs of patients under the current regulatory system for medical cannabis and the challenges that need to be addressed when delineating medical and recreational cannabis regulations.

In this context, we are confident that the Province of British Columbia will keep patients who access medical cannabis at the forefront of its deliberations regarding non-medical marijuana use. The patient community thanks you and looks forward to working with you in the coming months.

### Summary of Recommendations

#### Accessible

1. **Distribution.** Patients must be able to reliably access medical cannabis through a wide range of distribution options, regardless of where or how they access their therapy.
2. **Consumption.** Exemptions for medical cannabis consumption need to be considered when regulating where cannabis can be consumed. Medical cannabis consumption needs to be

exempt from any prohibitions that would impact a patient's right to use medical cannabis (hospitals, care homes, strata buildings, etc.).

## Affordable

1. Medical cannabis should not be subject to provincial sales tax.
2. Medical cannabis should be shielded from market conditions that impact the pricing of cannabis. Regulatory costs for sales and distribution of medical cannabis, such as dispensary licensing costs, should be significantly less than regulatory fees for non-medical cannabis sales and distribution.

## Safe

1. **Education.** Consumers must be educated on the differences between medical and non-medical cannabis (strain, potency, relative concentration of various cannabinoids, etc.), informed about how to access medical-grade cannabis, and encouraged to seek medical advice, rather than self-medicating with non-medical cannabis. Consumers purchasing both medical and non-medical cannabis should be educated about potential adverse effects.
2. **Self-production.** Regulations for those self-producing cannabis need to ensure the safety, potency and quality of self-produced sources of cannabis.

## Accessible

There should be a clear distinction in the regulatory approaches between accessing cannabis for medical or recreational use.

Regulations regarding where and when cannabis can be consumed must take into account the rights of patients to utilize medical cannabis. Consumption of medical cannabis should be exempt from any prohibitions on use in hospitals, residential care homes, strata buildings, and anywhere else that would reasonably prevent a person from regularly consuming medical cannabis.

While we recognize that this consultation is focused on regulating non-medical cannabis, consideration should be given to recognizing medical cannabis products as prescription medications when they are used on the authorization of a physician. This would facilitate future discussions about reimbursements through private or government benefit plans, e.g. Pharmacare Special Authority, where other first or second-line treatments were of poor efficacy or were not tolerated; and eligibility of the cost of medical cannabis as a medical expense.

## Accessibility Recommendations

1. **Different distribution options.** Regulations should ensure that patients have access to medical cannabis through a wide range of distribution options, including access through regulated on-site sources such as compassion clubs and pharmacies in addition to mail order and self-production.

2. **Barrier-free consumption.** Patients must be able to reliably utilize medical cannabis, potentially including some locations that may not be permissible for non-medical cannabis users.
3. **Consumer education.** Consumers should be educated with evidence-based information on the difference between medical and non-medical cannabis, differences in composition between available products and what is known about their relative effects, and how to access medical cannabis.

## Affordable

Costs associated with the use of medical cannabis can be very burdensome for patients. More than half of the participants in a study of 628 self-reported users of cannabis for therapeutic purposes (CTP) in Canada reported that they were sometimes or never able to afford to buy sufficient quantity of CTP to relieve their symptoms, and approximately one third reported that they often or always choose between cannabis and other necessities (e.g. food, rent, other medicines) because of lack of money.

Unlike other therapeutic products, patients cannot make use of existing policies and programs that help reduce the costs of their medical care, such as zero-rated sales tax and access to health insurance coverage. As the province develops a new regulated market for recreational cannabis, patients' affordability concerns must be addressed. Failure to do so may undermine incentives for patients to seek a regulated supply of medical cannabis. In the process of seeking access to a regulated medical supply, discussion with a physician will facilitate referral to other supportive therapies for the patient's condition.

Based on the average current pricing and dosage, medical cannabis patients, many of whom are on fixed incomes, bear costs upwards of \$500/month. These expenses are often in addition to the other health expenses patients incur, even after taking into account medical expense deductions.

Currently, medical cannabis is subject to provincial sales tax, making access less affordable for patients. Patients who access medical cannabis to manage their health conditions should be treated consistently with other patients who access health products to support their health and manage their illnesses.

Removing provincial sales tax on cannabis for medical purposes would not preclude the Government of British Columbia from levying sales tax on cannabis for recreational purposes and would underscore a clear distinction between medical cannabis and cannabis used for recreational purposes.

Additionally, regulatory costs for sales and distribution of medical cannabis (such as dispensary licensing costs) will be passed on to patients accessing medical cannabis. These fees should be significantly less than regulatory fees for non-medical cannabis sales and distribution. Whenever possible, medical cannabis should be shielded from market conditions that impact the pricing of cannabis.

## Affordability Recommendations

1. **Remove provincial sales tax on medical cannabis.** Medical cannabis is used for a variety of health purposes and is relied upon by patients to manage a variety of symptoms. It should be treated like other medical necessities.

2. **Lower regulatory fees.** Regulatory fees for non-medical and medical use of cannabis should be distinct and the fees should be significantly lower for medical cannabis distributors.

## Safe

As access expands through a legalized and regulated framework for recreational purposes, it will be increasingly important for British Columbians to have evidence-based information about cannabis in order to make informed decisions.

As part of a responsive and coherent regulatory approach, consumers must be supported to understand the difference between medical cannabis and non-medical cannabis in order to be clear on which one they are accessing, and should be made aware of possible adverse effects.

Consumer/patient education should be supported by an oversight framework that includes packaging, labeling, testing, storage and handling of medical cannabis as it makes its way from production to distribution to patients from all sources and through a variety of channels.

In particular, self-production by patients (or the person they designate) poses specific challenges in ensuring that patients' supply of medical cannabis is safe and quality-assured with reliable and known potency. However, as patients have a right to be able to self-produce (or to designate someone to do so for them), the regulation framework must include an approach to ensuring the safety, potency and quality of self-produced sources of medical cannabis. Any regulation framework must incorporate options to support patients in safely and consistently producing their own supply of medical cannabis.

## Safety Recommendations

1. **Education.** Consumers must be educated on the differences between medical and non-medical cannabis (strain, potency, relative concentration of various cannabinoids, etc.) and informed about how to access medical-grade cannabis. Consumers purchasing either medical or non-medical cannabis should be educated about potential adverse effects.
2. **Self-production.** Regulations for those self-producing cannabis need to ensure the safety, potency and quality of self-produced sources of cannabis.

## The Path Forward

It is crucial that any approach to regulating cannabis for recreational purpose support patient access to a regulated and tested supply of medical cannabis and addresses patients' needs that are currently unmet.

This presents an opportunity to consider the current barriers patients face in accessing a reliable source of medical cannabis and improve the regulatory system to make it more coherent and in line with overarching patient-centred objectives.

The patient community is an invaluable resource for the provincial government as it works to develop its regulatory approach to recreational cannabis. We appreciate the opportunity to provide recommendations to the Cannabis Legalization and Regulation Secretariat and see this as the beginning of a dialogue between patients and the province as it works to refine its approach to cannabis.



## PEACE RIVER REGIONAL DISTRICT

October 31, 2017

Via Email: [cannabis.secretariat@gov.bc.ca](mailto:cannabis.secretariat@gov.bc.ca)

The Honourable Mike Farnworth

Minister of Public Safety and Solicitor General

Dear Minister Farnworth:

### **Re: Cannabis Legalization and Regulation in BC (Stakeholder Submission)**

Thank you for the invitation to comment and provide feedback to the Province regarding the creation of a provincial cannabis regulatory system. The Peace River Regional District Board considered the discussion paper titled "Cannabis Legalization and Regulation in British Columbia" at its Committee of the Whole and Regular Meetings held on October 26<sup>th</sup> and resolved as follows:

That the Regional Board respond to the Province of BC consultation on Cannabis Legalization and Regulation in British Columbia recommending that the Province:

1. Implement a minimum age of nineteen to buy, grow, and publicly possess non-medical cannabis for the Province of BC.
2. Establish a provincial limit of 15 grams for public possession of non-medical cannabis for adults over the legal age determined by the Province; and establish a zero tolerance limit for public possession of non-medical cannabis for youth under the legal age, as determined by the Province.
3. Extend the restrictions currently imposed on smoking in public places in BC to smoking marijuana and increase the buffer zone of 3.5 m to 8 m for marijuana smoking; further, that the Province also extend the prohibition on public smoking of marijuana to parks and any other place where children are invited and usually present. .
4. Ask that the Province, in cooperation with RCMP, set a zero tolerance limit on driving while under the influence of cannabis for all drivers, until such time as medical expertise can identify a 'safe' level of THC in the blood up to which a driver is not considered impaired, and/or technical advances have been made that allow for accurate testing of THC levels.
5. Prohibit personal cultivation of non-medical cannabis.

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#### PLEASE REPLY TO:

☒ Box 810, 1981 Alaska Ave, Dawson Creek, BC V1G 4H8 Tel: (250) 784-3200 or (800) 670-7773 Fax: (250) 784-3201 Email: [prrd.dc@prrd.bc.ca](mailto:prrd.dc@prrd.bc.ca)  
☐ 9505 100 St, Fort St. John, BC V1J 4N4 Tel: (250) 785-8084 Fax: (250) 785-1125 Email: [prrd.fsj@prrd.bc.ca](mailto:prrd.fsj@prrd.bc.ca)



6. Establish a Government of British Columbia distribution model, whereby only the Province of BC would be permitted to warehouse and distribute non-medical cannabis for retail sale in approved retail locations.
7. Implement, as part of the provincial distribution system, quality control measures and product labelling regulations to protect buyers from impure products and widely varying potencies of the products they purchase.
8. Establish a public retail system whereby non-medical cannabis could only be made available for retail sale in BC Government approved locations, and that recognized pharmacies be the only type of retail outlet approved by the Province for retail sales of non-medical cannabis.
9. Work with all other provincial governments to determine if a unified legal age for non-medical cannabis could be chosen.
10. Work with all other provincial governments to unify, to the extent possible, taxation regimes and other regulations that would benefit from universal application.
11. Consider the social impacts of non-medical cannabis legalization and provide adequate support and funding for provincial programs and to municipalities left to deal with social issues that may be impacted by the legalization of cannabis.

The Province has a challenging task ahead of them to draft and debate legislation in advance of the anticipated federal legislation coming into effect in July of 2018. The Board appreciates the opportunity to provide this feedback and looks forward to following this process as the federal, provincial, and local governments work toward a new regime in Canada.

Yours truly,



Tyra Henderson  
Corporate Officer

## PINEAPPLE EXPRESS CANNABIS DISPENSARY

1. **MINIMUM AGE:** The minimum age for the purchase and consumption of Cannabis must match that of alcohol. Young adults will continue to consume Cannabis, and subjecting young adults to the unmonitored and unregulated black market to purchase Cannabis is considerably dangerous.
2. **PERSONAL POSSESSION:** The province should work with the Federal government, the RCMP and local law enforcement to determine an acceptable quantity that patients may carry.
3. **PUBLIC CONSUMPTION:** The province should work with the Federal government, the RCMP and local law enforcement.
4. **IMPAIRED DRIVING:** The province should work with the Federal government, the RCMP and local law enforcement.
5. **PERSONAL CULTIVATION:** The province should work with the Federal government, the RCMP and local law enforcement.
6. **DISTRIBUTION MODEL:** A cooperative system of the cultivation, testing and distribution of Cannabis will be the healthiest, most efficient method for this new industry. Having Licensed Producers and Craft Cannabis growers for the production of Cannabis, independent and provincially run testing facilities, and an array of retail options is the best solution for the province and most importantly, for the people. Provide sufficient legislation and allow the free market to acclimatize; as it always does
7. **RETAIL MODEL:** If businesses of all types are allowed to be involved, the people will vote with their dollar and the free market will adjust itself. This is the true way to let the people of British Columbia vote on how they wish for the new system to be designed. Allow for all business opportunities (private & government run) and advertising to those of age.



# POWELL RIVER REGIONAL DISTRICT

#202 - 4675 Marine Avenue, Powell River, BC V8A 2L2  
Telephone: 604-485-2260 Fax: 604-485-2216  
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*"Genetically Engineered Free Crop Area"*

November 1, 2017

Honourable Mike Farnworth  
Minister of Public Safety and Solicitor General  
PO Box 9010 Stn Prov Govt  
Victoria, BC, V8W 9E2  
Via Email: [PSSG.Minister@gov.bc.ca](mailto:PSSG.Minister@gov.bc.ca)

Dear Minister Farnworth:

**RE: Cannabis Legalization and Regulation in BC**

On behalf of the Powell River Regional District Board of Directors, I am writing to state our concerns relating to cannabis legalization and regulation in British Columbia.

After reviewing the Cannabis Legalization and Regulation in British Columbia Discussion Paper, the Powell River Regional District has serious concerns for the downloading of responsibilities on local governments without providing adequate funding and resources.

The Powell River Regional District confirms support for the 2016 Resolution adopted by the Union of BC Municipalities on the subject of Marijuana Sales & Distribution Tax Sharing for Local Governments:

*Whereas the federal government plans to establish a federal/provincial/territorial task force to seek input from experts in public health, substance abuse, and law enforcement to design a new system of strict marijuana sales and distribution with federal and provincial excise taxes applied;*

*And whereas regulation and enforcement for medicinal marijuana retail dispensaries will likely fall to the local governments once the law changes, thus creating additional burdens on local government resources:*

*Therefore be it resolved that UBCM call on the federal government to request that a portion of any future federal or provincial tax collected through marijuana sales and distribution be shared with local governments, and that the concept of tax sharing with local governments be forwarded to the task force looking into the new system of marijuana sales and distribution, for consideration.*

We trust you will give due consideration to our concerns for tax revenue sharing.

Sincerely,

Patrick Brabazon  
Chair

**www.PreventCancerNow.ca**

**British Columbia Cannabis Secretariat**

**By Email:** [cannabis.secretariat@gov.bc.ca](mailto:cannabis.secretariat@gov.bc.ca)

### **Submission Regarding Cannabis Legalization and Regulation in British Columbia**

Response to Consultation: <https://engage.gov.bc.ca/BCcannabisregulation/>

*Prevent Cancer Now* is a Canadian national civil society organization that works to stop cancer before it starts, with scientific research, education and advocacy.

Eliminating hazards is the most effective way to prevent a host of environmentally linked adverse health outcomes including cancer, so we are pleased to submit the following comments regarding British Columbia's approach to regulation in the context of legalization of cannabis.

*Prevent Cancer Now* applauds British Columbia's strong stance to protect children from second hand smoke,<sup>1</sup> and takes this opportunity to highlight an important gap in these protections – smoke in multi-residential buildings, where smoke from neighbours infiltrates hallways and other units. Consistent with policy under the *Canadian Human Rights Act* and workplace legislation, we recommend that smoking any product (cannabis, tobacco or other materials) be banned in multi-unit residential buildings. If permitted, smoking should be restricted to detached shelters, at a significant distance from any building containing multiple dwelling units (e.g. a minimum of 10m from doors or windows).

Second hand smoke from combustible products such as cigarettes, cigars, and cannabis is an established health hazard. As indicated by HealthLinkBC<sup>1</sup> and others, all smoke contains harmful particulates and numerous toxic chemicals that increase risks of cancers of the lung, mouth, throat, larynx, esophagus, bladder, kidney, pancreas and cervix. Exposure to smoke also impairs child development and increases risks of chronic diseases (e.g. cardiovascular, kidney and neurological disease).<sup>2,3,4</sup> Hazard elimination is central to public health strategies that save lives and can decrease health care expenditures. Unfortunately, the British Columbia framework encourages smoking of cannabis within the home, and so does not address a major public health and safety issue, and misses the opportunity to prevent harms of second hand cannabis (and other) smoke.

The numbers of people exposed to second hand smoke at home is higher than elsewhere, as smoking is being banned from many public spaces. Statistics Canada reports that in 2014, over 70000 of British Columbians aged 12 and over reported exposure to second hand smoke at

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<sup>1</sup> HealthLinkBC. The Harmful Effects of Second-hand Smoke. Accessed October, 2017.

<sup>2</sup> U.S. Department of Health and Human Services. The Health Consequences of Smoking- 50 Years of Progress. (2014). Accessed October 2017.

<https://www.surgeongeneral.gov/library/reports/50-years-of-progress/full-report.pdf>

<sup>3</sup> U.S. Department of Health and Human Services. The health consequences of involuntary exposure to tobacco smoke: A report of the Surgeon General. 2006: Atlanta, GA. Accessed October, 2017.

<http://www.surgeongeneral.gov/library/reports/secondhandsmoke/fullreport.pdf>

<sup>4</sup> World Health Organization. Protection from exposure to second-hand smoke: Policy recommendations. 2007: Geneva. Accessed 19 October 2017.

[http://apps.who.int/iris/bitstream/10665/43677/1/9789241563413\\_eng.pdf](http://apps.who.int/iris/bitstream/10665/43677/1/9789241563413_eng.pdf)

home.<sup>5</sup> The exposure to second hand smoke in multi-unit dwellings is estimated to be proportionately higher than in other types of residential buildings due to shared structural elements that permit infiltration of air among units and hallways. This involuntary, noxious exposure represents an important air quality, and health and safety issue affecting residents and visitors of all ages.

***Prevent Cancer Now* recommends that:**

- **An approach adhering to public health principles of hazard elimination as the preferred approach be incorporated into regulation of recreational cannabis;**
- **Smoking of cannabis be banned throughout multi-residential buildings; and**
- **The harms of smoking, including cannabis, to both smokers and bystanders, including children, be communicated through packaging, and regular education and training.**

We thank you for the opportunity to contribute to British Columbia's strategy as cannabis is legalized.

Sincerely,

Meg Sears, PhD  
Chair, Prevent Cancer Now  
Meg@PreventCancerNow.ca  
613 297-6042

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<sup>5</sup> Statistics Canada. 2016. Exposure to second-hand smoke at home by sex, by province and territory (Number). <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/health96a-eng.htm>



**SUBMISSION BY PRIVATEER HOLDINGS TO THE BRITISH COLUMBIA  
GOVERNMENT'S CONSULTATION ON CANNABIS LEGALIZATION**

**OCTOBER, 2017**

For further information, please contact:

**Cameron Bishop**

Director of Government Affairs  
Privateer Holdings

[Cameron.Bishop@privateerholdings.com](mailto:Cameron.Bishop@privateerholdings.com)

Privateer Holdings is a private equity firm shaping the future of the legal cannabis industry globally. Founded in Seattle in 2010, we have raised more than \$150 million (USD) from investors worldwide (including Canada) seeking to end the harms caused by cannabis prohibition through a legal and regulated market. We commend the federal government for forging new ground as the first G-7 nation with a plan to legalize cannabis for responsible adult consumption. We commend British Columbia for swiftly launching a public consultation to develop a provincial framework in parallel, and for their leadership on this important file.

Privateer Holdings played a meaningful role during consultations undertaken by the federal Task Force on Cannabis Legalization and Regulation and as the federal government drafted *Bill C-45, An Act respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and other Acts (The Cannabis Act)*. We look forward to playing a similar role at the provincial and territorial level, particularly in British Columbia. Our contributions to cannabis legalization consultations thus far have been driven by one underlying principle. We believe the best way to achieve successful policy outcomes is to develop a strict, clear, fair and flexible regulatory framework that will allow free market forces to eliminate the illicit market through competition.

Our company currently operates in Canada through our Nanaimo-based subsidiary, Tilray, which in 2014 was among the first companies to be federally licensed by Health Canada to produce and distribute medical cannabis under the Access to Marijuana for Medical Purposes Regulations (ACMPR). Tilray has led the industry in standards for safety, security, ethics and quality. The company is also actively advancing scientific understanding of the safety and efficacy of medical cannabis globally through clinical research partnerships with world-renowned universities and hospitals in Australia, Canada and Europe. A number of elected officials and senior public servants have had the opportunity to tour Tilray's state-of-the-art, \$30 million, 60,000-square foot research and cultivation facility and experience firsthand the standard we set for medical cannabis production and distribution.

In addition to Tilray, Privateer Holdings is investing in a portfolio of brands dedicated to professionalizing the cannabis industry, including Leafly, a cannabis website and information resource, and Marley Natural, a premium product line of responsibly sourced and integrity-driven cannabis and lifestyle products. Our team is comprised of over 350 professionals on the ground in seven countries, seven U.S. states and five Canadian provinces. Our team includes PhD scientists, executives from world-leading brands, and former federal law enforcement officers. In an industry stigmatized by negative perceptions and substandard business practices, we are known for our methodical approach and culture of continuous compliance. Privateer Holdings is here to share our knowledge and experience as a resource for your government as you establish a regulatory framework for adult-use legal cannabis.

Our experience evaluating investment opportunities and regulatory climates in countries on four continents has shown us how policy choices can affect the success of medical and recreational cannabis programs. Canada's federal government will determine the success of its framework by whether it protects children by restricting access, keeps profits out of the hands of criminals, and mitigates harms to public health. We expect the provinces to take a similar approach.

Ultimately, Privateer Holdings believes a successful regulatory framework must allow professional companies to fairly compete with and, ideally, eliminate the black market through brand differentiation, meaningful scale, reasonable taxation levels, distribution controls, product diversification and innovation, and access to capital and consolidation. The following submission expands on these principles in the context of achieving four different public policy goals:

- 1) Safe and secure production
- 2) Professional distribution and sales
- 3) Consumer access to safe product
- 4) Responsible use



## SAFE AND SECURE PRODUCTION

### Cannabis Production

The overarching aim of federal, provincial, and territorial regulation must be to ensure licensed producers are permitted to cultivate at scale to undercut the black market. While the Cannabis Act will determine much of Canada's recreational cannabis production framework, production, distribution and retail cannot be siloed if the program is to achieve its goals. Private sector production with appropriate government licensing and oversight is the best way to allow for safe and secure production while also providing adequate choice for consumers.

Licensed producers have the capacity to quickly meet market demand and scale up even further to supply the new market if needed. These companies must be able to achieve meaningful scale (i.e. at least 500,000 sq. ft. of cultivation space, stable capital) in order to serve the Canadian market, which is currently estimated by Deloitte at \$5B-\$8B, and which could rise as high as \$22.6B depending on the parameters of the market<sup>1</sup>. Economies of scale offset the considerable compliance costs licensed producers will incur as a result of operating in a highly-regulated environment.

Provincial and federal governments should draw upon the experience of licensed producers already accustomed to operating in a highly-regulated environment. In the United States, the states of Colorado and Oregon both leveraged existing medical cannabis programs when rolling out their recreational programs; the state of Washington started from scratch. The rollouts in Colorado and Oregon were much smoother than Washington's by measures including adequate supply, pricing competitive with the black market, and licensing and regulation<sup>2</sup>. We were pleased to see the federal government take this approach in the *Cannabis Act* and to hear the federal Minister of Finance support a stop-gap program for provinces and territories that do not have a framework in place by July 2018<sup>3</sup>.

We believe there is room for smaller producers in the marketplace as well. The existence of large producers does not preclude the existence of smaller, more specialized cultivators (the same way small-batch craft brewers exist alongside large commercial breweries). This has been proven in U.S. states where large and small producers co-exist.

### Good Production Practices

Licensed producers are accustomed to a high regulatory threshold and Privateer Holdings supports basic regulatory requirements for producers, particularly when it comes to enforcing Good Production Practices<sup>4</sup>. Canada has some of the most stringent quality standards for medical cannabis production in the world. These comprehensive production practices are one of the country's most important assets as it embarks on implementing a new system for regulating adult-use cannabis. We expect federal, provincial, and territorial governments will continue to put the health of Canadians first by holding *any* new licensed producers, large, medium or small, to these same standards. All cannabis products should be subject to analytical testing for contamination (mold, mildew, fungus, pesticides, heavy metals, chemicals) and potency (THC and CBD) prior to being released for sale to the public. There should be strict rules regulating the storage of cannabis products to ensure they are kept in sanitary and secure conditions, as well as prevent diversion. Our experience has demonstrated that a high degree of expertise and commitment to security are necessary to produce quality cannabis products safe for consumption.

<sup>1</sup> Deloitte, 2016, "*Recreational Marijuana: Insights and opportunities*", p. 5.  
[https://www2.deloitte.com/content/dam/Deloitte/ca/Documents/Analytics/ca-en-analytics-DELOITTE%20Recreational%20Marijuana%20POV%20-%20ENGLISH%20FINAL\\_AODA.pdf](https://www2.deloitte.com/content/dam/Deloitte/ca/Documents/Analytics/ca-en-analytics-DELOITTE%20Recreational%20Marijuana%20POV%20-%20ENGLISH%20FINAL_AODA.pdf)

<sup>2</sup> Associated Press story: <http://www.foxnews.com/us/2015/01/16/washington-state-growers-struggling-to-sell-legal-marijuana.html>

<sup>3</sup> Canadian Press story: <http://www.winnipegfreepress.com/local/if-province-cant-get-marijuana-laws-in-place-by-deadline-feds-prepared-to-offer-mail-order-pot-429516863.html>

<sup>4</sup> Government of Canada, 2017, *Access to Cannabis for Medical Purposes Regulations, Subdivision D "Good Production Practices"*. As published by the Minister of Justice. <http://laws.justice.gc.ca/PDF/SOR-2016-230.pdf>

## Licensing and Fees

Licensing and fees are an important tool to block out non-professional actors and ensure a professional, responsible industry. All applicants should be required to submit a well-developed business plan, provide proof of sufficient capital, and be subject to vigorous criminal background checks. We would encourage the provincial government to tie the issue of licenses to market growth to keep pace with supply. These licenses should allow for vertical integration so that producers have the option to distribute their product through private retailers, stores located at a licensed cannabis facility, or direct-to-consumer mail order.

The current situation in the Washington state market illustrates why this is important. As of June 2017, only 392 of the 1158 active licenses issued for production are operational and their average monthly revenue of \$15,000 is not enough to offset expenses. In terms of processor licenses, only 645 of 1177 issued are operational, with average monthly revenues of \$65,000<sup>5</sup>. The failure of the state to allow vertical integration has resulted in a high failure rate among professional companies operating in the industry, which would be mitigated by allowing producers and processors to sell directly. A lack of retail licenses is also an issue in the state.

Excess supply, a dearth of retail licenses, a failure to allow for vertical integration, and a lack of capital could create a situation in British Columbia where legal product is diverted into the illicit market. Oregon's licensing model corrected for this problem by creating a trial period where only existing licensed medical producers could serve the recreational market to determine whether there would be an imbalance between supply and demand<sup>6</sup>. Oregon will issue additional licenses when projected demand is forecasted to outpace projected supply<sup>7</sup>. If the federal government chooses a similar approach, it is important to ensure that the application, approval and inspection processes are not overly burdensome and that the government is adequately resourced to prevent the significant delays and backlogs Tilray has sometimes experienced when seeking approvals for additional cultivation space. We support the implementation of licensing fees in conjunction with service standards (i.e. for processing of applications and amendments), which provide accountability and predictability for businesses.

## Packaging, Labeling and Storage

The production, packaging, storage and distribution requirements mandated by the ACMPR are some of the most comprehensive of any jurisdiction in the world and should be a point of pride that guides the direction of the recreational framework. While we consider certain packaging requirements to be necessary (i.e. mandating child-proof packaging, requiring product-specific THC and CBD content validated by a lab to be printed on the label, and mandating health warning messages), **we strongly believe brand prohibition is incompatible with a legal system capable of competing with a dominant illegal market.**

## PROFESSIONAL DISTRIBUTION AND SALES

Licensed producers are well-positioned to supply safe and secure cannabis products through the existing medical system of direct-to-consumer mailing. Cannabis customers should always have the option to access product through the mail, ensuring British Columbians have a discreet option for consumption no matter where they live. Licensed private storefronts specializing only in cannabis distribution should be permitted to help educate consumers and counter the black market. These storefronts should be able to operate on competitive terms (i.e. on holidays and during the evening) to mitigate black market competition.

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5 Washington State Liquor and Cannabis Board, 2017, "Marijuana Sales Activity by License Number".  
<http://lcb.wa.gov/records/frequently-requested-lists>

6 Wall Street Journal Story: <http://www.foxnews.com/politics/2016/10/01/oregon-begins-recreational-marijuana-sales-on-saturday.html>

7 Oregon Live story: [http://www.oregonlive.com/marijuana/index.ssf/2017/01/oregon\\_reaches\\_another\\_pot\\_mil.html](http://www.oregonlive.com/marijuana/index.ssf/2017/01/oregon_reaches_another_pot_mil.html)

Co-location with liquor distribution should not be permitted because of potential negative impact to public health. Selling the products in the same physical space does not promote responsible use. Co-location is also impractical from a distribution and sales perspective given the differences in product use, knowledge, shelf life and storage between alcohol and cannabis.

## **Regulated Sales**

As written in the *Cannabis Act*, seed-to-sale tracking and control of cannabis products will be federally mandated. The federal government will control product by adapting existing ACMPR regulations to guide the production of recreational cannabis, assuring the safety, traceability, and quality of products moving through the system. In American states that have legalized recreational cannabis, products are tracked from seed to sale<sup>8</sup>. This is the same role Health Canada will play in the recreational market, making a similar role at the provincial and territorial levels redundant. Health Canada reports will allow provinces to easily identify the types and quantities of cannabis being distributed into each province, while underscoring the safety and security of the product.

The British Columbia Liquor Control and Licensing Branch (BCLCLB) is the ideal regulator for cannabis retail sales in British Columbia given its experience in ensuring an effective, controlled, regime managing alcohol. The BCLCLB should develop a mandatory cannabis training program for retailers similar to “Smart Serve” that is rigorous on education about formulations, strains, concentrations, formats, age identification and other factors designed to promote public safety and responsible use.. The provincial retail model should consist of dedicated, provincially licensed storefronts – including flagship stores by licensed producers – with BCLCB-trained staff and allowances for direct-to-consumer mail-order through these same producers.

## **Licensed Retailers**

Canada’s licensed cannabis producers should be allowed to distribute product directly to private retailers in British Columbia, licensed by the province in order to ensure responsible sales practices. Licensed producers already have the experience, under the current ACMPR, required to transfer secure and controlled product from production facilities direct to consumers. British Columbia’s provincial cannabis regulatory system should not add unnecessary cost, complexity, and time to this process by imposing a government-controlled wholesale and distribution model on a successful, responsible producer-to-consumer outlet framework. Rather, the federal government should offer two licensing categories for producers: producer and producer-distributor. The latter licensing designation would allow cannabis producers to sell and distribute direct to provincially licensed retailers.

## **Black Market Dispensaries**

There is a thriving \$8.7B illegal cannabis black market in Canada with a sophisticated and accessible retail network. British Columbia represents approximately \$1.3B of this illicit market based on a cannabis usage rate of 14.2% among the province’s population. The British Columbia government, working with federal counterparts, must take steps to crack down and eliminate illegal, unlicensed dispensaries. These businesses are illegitimate and pose a serious risk to public health and safety.

It is crucial that there be a mechanism to prevent local governments from allowing unregulated storefronts to operate with impunity outside the scope of provincial distribution and retail regulations. In the absence of such a mechanism,

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<sup>8</sup> “Regulation Gives Public Confidence in Industry”, July 2017. Retrieved from: <https://www.naturalproductsinsider.com/blogs/insider-law/2017/07/cannabis-lawyer-regulation-gives-public-confidenc.aspx>

there will continue to be widespread confusion in the marketplace about how to obtain access to cannabis products legally and these outlets will continue to proliferate at the expense of the commercial viability of the legal market.

Licensed storefronts, supplied by licensed producers, have a role to play as a point of distribution over the long term. Storefronts are a mechanism to eliminate the black market through localized competition and a forum for educating the public about responsible consumption. It is helpful for consumers to be able to talk to educated staff in person about different products and understand how to consume these products responsibly.

## **Taxation**

We recommend local governments tax cannabis products up to 3% while also mandating that these proceeds be used for enforcement or public education programs related to legal cannabis<sup>9</sup>. This will incentivize local governments to allow licensed cannabis businesses in both rural and urban centres, which we believe will be important in countering black market dealers already operating in those jurisdictions.

Taxation can be an effective tool for discouraging overconsumption and for providing the government with revenue to offset related costs. However, we have also seen overzealous tax regimes, like the initial tax structure adopted in Washington state, cripple the ability of fledgling cannabis markets to gain ground and compete against the black market.

Privateer Holdings recommends a graduated tax structure, where taxes slowly increase over a period of 5-10 years to allow the legal market to gain its footing against the black market by initially undercutting black market prices and incentivizing consumers to move away from the illicit market. Reasonable levels of taxation combined with market forces should determine the price of the products – *not price controls*. Price controls hamper the ability of the legal market to compete with the black market. New York's medical cannabis program – widely regarded as the least successful in the United States – provides a useful case study in how price controls restrict the ability of companies to compete with the black market<sup>10</sup>.

## **CONSUMER ACCESS TO SAFE PRODUCT**

### **Advertising and Marketing**

It is important to develop appropriate advertising and marketing rules to ensure that cannabis products are not marketed to youth. However, it is also critical to allow professional companies to differentiate themselves from black market producers through branding and responsible marketing practices. If customers are not able to differentiate products through branding and marketing, quality will suffer because customers will have difficulty discerning responsible brands from lower quality alternatives. The result will be a market characterized by adverse selection where unprofessional companies thrive while responsible companies struggle to communicate the value of their brand proposition. To that end, it is critical Licensed Producers be empowered to push back against Canada's thriving illegal market through branding and education. Advertising and promotion restrictions adopted by Colorado (R.1102-1115) and Washington (WAC 314-55-155) provide reasonable levels of protection while still allowing for moderate brand differentiation.

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<sup>9</sup> Oregon Department of Revenue Marijuana Tax Overview: [http://www.oregon.gov/DOR/press/Documents/marijuana\\_fact\\_sheet.pdf](http://www.oregon.gov/DOR/press/Documents/marijuana_fact_sheet.pdf)

<sup>10</sup> ABC News story: <http://news10.com/2016/03/23/medical-marijuana-too-expensive-for-some-patients/>

## Product Formulations

Reasonable product restrictions will deter overconsumption, requiring certain products to be individually packaged in defined doses. We support the prohibition of products that would appeal to young people (i.e. infused gummy bear candies).

We are not supportive of limiting potency or restricting product formats or innovation (especially the development of products that would allow customers alternate methods of consumption other than smoking). Restrictions on product type and potency will drive Canadians to the black market. Limiting THC, prohibiting high-potency products, and restricting product formats will give the black market a monopoly on these products.

## Access to Medical Cannabis

As a leader in the medical cannabis industry, Tilray's experience has reinforced our view that Canadians, in consultation with their physicians, must have reasonable access to legal cannabis products for medical purposes. Privater Holdings supports policy measures to enable that access, whether through a single-track approach to cannabis regulation with certain exemptions for medically authorized patients or separately regulated medical and recreational regimes. Reasonable access to medical cannabis – including the ability of patients to access medical cannabis through pharmacies – requires carve-outs for patients below the legal age but with legitimate medical needs and patients who require high potency products.

Limited home cultivation should be an option for medical patients and recreational consumers, but personal cultivation alone is not sufficient to provide ACMPR patients with continued access to the selection of product strains and formats that meet their medical needs.

We urge the government to consider insurance coverage for medical cannabis under BC Pharmacare, and investments in clinical research. Tilray is a global leader in medical cannabis research, which leads to improved outcomes for patients. Tilray has engaged in research partnerships on cannabis applications for post-traumatic stress disorders, epilepsy, chronic lung disease and chemotherapy-induced nausea and vomiting<sup>11</sup>. Such research is critical to securing access for patients and educating physicians and other public health professionals about cannabis. The new framework can further improve medical access by distinguishing medical and recreational supply and accommodating differing taxation approaches.

## RESPONSIBLE ADULT USE

Privateer Holdings endorses a reasonable age limit for purchasing and possessing cannabis and defers to the province on what that age limit should be based on your expertise and consultations. We believe that consistency across the provinces is preferable to a patchwork of age limits, a disparity that would create a complex compliance burden on businesses. Further, a provincial patchwork of age limits could encourage cannabis tourism across provinces and territories, creating further enforcement and public safety issues. It is important to continue to permit children and youth who derive therapeutic benefits from medical cannabis to be permitted to access cannabis products under the supervision of a physician.

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<sup>11</sup> Tilray Research Portfolio: <https://www.tilray.com/research/>

Close consideration must be given to new or strengthened sanctions for those who act outside the boundaries of the new framework. Regulators and law enforcement will require significant resources for these purposes and these activities should be funded by tax revenues derived from legal cannabis sales.

### **Impaired Driving**

Privateer Holdings supports ongoing research to determine how to equip law enforcement to deal with impaired driving. Tilray has been selected to supply study drugs for a research at the University of Sydney examining the effects of vaporized cannabis consumption on driving ability. We look forward to sharing the progress and results of this study with the government.

Public education campaigns should emphasize the risks associated with drug-impaired driving and a portion of tax revenues generated from legal cannabis sales must be applied for this purpose on an ongoing basis.

### **Consumption**

While we largely support restricting consumption of cannabis to private residences, it would be pragmatic for the provincial government to allow some adult-only venues, such as designated lounges that are prohibited from selling alcohol or tobacco within their premises, to permit consumption in order to avoid proliferation of consumption in all public spaces.

## **CONCLUSION**

A successful legal market will have the following four key pillars: an allowance for limited branding and in-store promotion; a minimum age of use; a competitive tax regime; and, moderate flexibility in terms of the types of recreational cannabis products that can be produced and sold. Without these elements underpinning the legalization effort, Canada will fail in its attempt to bring regulation and order to an out-of-control illegal market.

This is a critical moment for Canada and the eyes of the world are watching how we approach cannabis regulation. If we truly want to keep cannabis out of the hands of young people while eradicating the illegal market, we have every reason to be bold, not timid, in our attempt to succeed.





Date: October 31, 2017  
To: Cannabis Secretariat of British Columbia  
From: RavenQuest BioMed Incorporated  
Subject: BC Cannabis Regulation Engagement

Impending federal legislation pertaining to the legalization of regulated non-medicinal (recreational) cannabis represents an obvious economic opportunity for the province of British Columbia. These significant benefits do come with a number of challenges which must be addressed.

Our organization makes this submission in the interest of helping the Province (and its ministries) implement a regulatory regime that aims to keep members of the public safe, healthy and aware while also creating the conditions necessary for optimal market efficiency.

Senior management within our organization brings a depth of knowledge which we believe can provide meaningful input on a number of relevant issues.

Specifically, our CEO, George Robinson, has been active as a highest-level advisor and consultant to multiple licensed cannabis producers since the MMPR (predecessor to the ACMPR) was introduced in 2013. He has been instrumental in helping a lengthy list of producers meet and/or maintain the rigorous standards of compliance set out by Health Canada, and is seen by many as a visionary with an in-depth understanding of the myriad aspects – facility design, product safety & efficacy, market acceptance/development, product evolution – of this burgeoning industry.

Bill Robinson, who heads our Government and Indigenous Relations efforts and recently retired as President and CEO of the Alberta Liquor and Gaming commission, brings a wealth of knowledge and expertise in liquor regulation in a province that mirrors British Columbia in its diverse population distribution across larger centers, mid-sized cities and remote, rural communities (we believe, for example, that retail distribution should be addressed according to community size and proximity to larger centres, as is seen with retail liquor in BC).

From our perspective a healthy, safe and economically beneficial introduction to legalized cannabis is in the interest of all stakeholders. With this in mind, many of our recommendations revolve around the principles of Education about safety issues surrounding cannabis use and Awareness about what constitutes responsible versus irresponsible enjoyment of the various products that will become available to the consuming public.

We see ourselves as contributors with something to add to, rather than take from, the consultation process. The following are our recommendations for each of the key issues identified by the ministry.



### Minimum Age

We see the protection of youth to be of key importance as the roll-out of federal legalization becomes a reality. While Bill C-45 specifies a minimum age of 18 for possession and use of cannabis, we argue that many students turn 18 while they are still in high school. We suggest it is counterproductive to allow cannabis access to any students still attending high school given the potential for sharing in social situations or communicating the message to minors that non-adult cannabis use is legal or acceptable behavior. While some research suggests that cannabis use affects brain development as late as age 25, it should be noted that the vast majority of current cannabis users are under the age of 25 and that, absent a safe and legal alternative, this demographic risks exposure to illicit, unregulated and potentially dangerous cannabis. Weighing all of these factors, we suggest and agree with consensus that the minimum age requirement be 19.

### Personal Possession Limits

We are in agreement with Bill C-45 legislation proposing that adults can legally possess or share with other adults up to 30 grams of dried legal cannabis.

On the issue of personal possession limits, the pending federal legislation outlines a strategy to protect youth from criminal prosecution for small amounts (five grams or less) of cannabis. While this is a good first step, in keeping with our principles of public Education & Awareness, we advocate a strategy focused upon education and guidance for youth found to be in possession. Specifically, we would suggest that youth found with small amounts of cannabis be required to participate in an online education program with mandatory knowledge testing at the end of the program. This approach can be made to be a positive, corrective experience as opposed to a punitive one. This online approach will also ensure equal access for youth in remote rural areas. This is important because, while large urban areas often have prevalent messaging and ease of access to programs, this same level of messaging and access often doesn't reach remote, rural areas.

### Public Consumption

On this issue we are in agreement with the apparent consensus, specifically that the combustion of cannabis be allowed in the same specified areas for smoking or vaping tobacco. However, we also believe the cannabis consumption market will evolve rapidly as the existing stigma surrounding illicit cannabis use lessens after national legalization.

The recent investment by Constellation Brands (Corona & Modelo beers, Robert Mondavi wines) into Canada's largest LP, Canopy Growth, is a major clue as to the direction in which the cannabis market is ultimately headed. Constellation cites a joint-project aimed at developing "cannabis-infused beverages" as a key rationale behind the investment. Industry observers have openly speculated this is the first of many such investments by international spirits conglomerates into the cannabis sector. While non-combustibles (edibles, drinks) are not included in the current first-generation legal framework, we expect the legislation will evolve rapidly in the coming months and years. We fully expect that a multi-tiered, sophisticated consumable market which includes products such as THC-infused water and various high-end beverage options for sophisticated consumers, is the direction this market is headed.

This direction provides the Province with the opportunity to help drive the consuming traffic off the street, out of parks, and instead into licensed lounges or cafes. This development, played out over time,

is in the interest not only of responsible enjoyment by cannabis consumers, but will also help move consumption out of public areas with proximity to schools and parks, again in the interest of protecting youth.

### Drug Impaired Driving

This issue is one in which there appears to be a significant gap between public perception and scientific realities. Studies show that between 70%-80% of those who are actually impaired by cannabis believe they are as-good or better drivers while under the influence of THC. In keeping with our emphasis upon Education & Awareness, we, as cannabis industry participants, would support an industry-led awareness campaign aimed at correcting this misperception and creating social attitudes that reflect the real dangers of drug-impaired driving. Our suggestion is that industry leaders use a multi-media approach to craft and deliver three clear messages to the public

1. Cannabis-impaired driving is dangerous
2. Cannabis-impaired driving is illegal
3. Cannabis-impaired driving is socially unacceptable

Pertaining to blood-THC limits, we recommend a threshold of zero for all drivers with an “N” or “L” designation.

We concur with the proposed federal legislation relating to blood-THC content for unrestricted drivers, namely a limit of 2 -5 nanograms of THC.

The library of knowledge about THC impairment is still limited relative to that of alcohol impairment. Due to British Columbia’s cultural acceptance of cannabis use in comparison to other jurisdictions, we believe there exists an opportunity for this Province to take a leadership role in funding the research necessary to establish what constitutes cannabis impairment and how best to measure it.

### Personal Cultivation

Bill C-45 allows for each individual household to cultivate four plants for recreational use. We believe this presents a serious issue surrounding youth access, as well as enforcement. Significant costs will likely arise out of the various forms of inspection, enforcement, regulation – particularly relating to rent versus own scenarios -- that will be necessitated by the allowance of personal growing inside the home. We suggest the Province avoid micro-managing these issues and allow municipalities to oversee the management of enforcement and compliance.

In addition, the coming retail landscape will ensure that recreational cannabis will be readily accessible, eliminating the need for home-grown cannabis, in our opinion.

More importantly, growing cannabis inside the private home raises real concerns about child and youth access to the drug. We believe this question requires more consideration, however we suggest that any micro-regulation relating to home grown cannabis is best done at the municipal level of government.

### Distribution and Retail Models

As Bill C-45 works its way through third reading in the house and ascends to the senate, we expect to see language allocating a certain portion of Canada’s total licensed growing space (known as “canopy”) to Canada’s Indigenous Peoples. The rationale behind this allocation is to provide Indigenous Peoples an

opportunity to participate at the ground floor in a new and accelerating industry, leading to gains in employment, incomes, standards of living and economic independence for Indigenous Peoples.

As we move toward legalization, we strongly recommend the Province of BC echo this sentiment when considering retail and distribution on Indigenous Peoples' lands. In particular, we advocate for a policy of Indigenous self-determination with respect to retail taxation and regulation, and would strongly advise the Province take a "hands off" approach to the development of retail cannabis distribution on Indigenous Peoples' lands.

For the broader market, we believe that the framework for a workable distribution model already exists in the alcohol industry and recommend the province follow a similar path with cannabis. Specifically, we support the implementation of a hybrid system with the Provincial government as a centralized wholesaler and regulatory authority. This central wholesaler would act as supplier to a combination of private, government-compliant sellers and government-run stores.

In addition, we submit that this model (essentially a "copy" of the existing alcohol distribution framework) should extend further by replicating how remote communities handle alcohol purchases. In other words, we think it makes sense to allow grocers, gas stations or other "retailers of necessity" in remote locations to sell cannabis, provided they are compliant to the regulations ultimately set out in the retail-licensing guidelines.

### Summary

To reiterate, our end game is a healthy, safe and educated public. Without this foundation, we cannot, as a society, reasonably enjoy the health, lifestyle and economic benefits of the proposed legislation. It is for this reason that our organization places an emphasis upon the need for Education & Awareness and stands ready to act as leaders on initiatives relating to these tenets. We wish to thank the Provincial Government and its ministries for the opportunity to contribute as we work together toward a smooth transition to legalization. We will continue to do our part as responsible and good-acting corporate citizens, and would welcome the opportunity to continue this dialogue should you wish to reach out.



# Regional District of Central Kootenay

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November 1, 2017

Ms. Lisa Anderson  
Executive Director, Cannabis Legalization and Regulation Secretariat  
Ministry of Public Safety and Solicitor General  
PO Box 9285 Stn Prov Gvt  
Victoria BC, V8W 9J7

Dear Ms. Anderson:

## RE: CANNABIS LEGALIZATION & REGULATION IN BRITISH COLUMBIA

Thank you for the opportunity to provide comment on the discussion paper regarding Cannabis Legalization and Regulation in British Columbia. The Regional District of Central Kootenay is in a unique position with respect to cannabis production, which is quite prevalent in our area. Our elected officials are pleased to be engaged in this process and provide the following comment:

### Comments on Cannabis Production

Local Government requires direction from higher levels of government regarding their position or lack thereof on the siting, approval process, and other regulations for recreational cannabis production facilities. Medical production facilities have had a high degree of regulation at a federal level, but left many details to local government and zoning. The RDCK would like to find out more regarding the degree of responsibility that will fall to local governments regarding recreational cannabis production.

Through past federal regulations, the medical cannabis production landscape in Canada has become a non-uniform system. In regions like the Kootenays, where cannabis production (legal and illegal) is very prevalent, producers who are growing under the MMAR have created significant issues in communities. As local government and emergency services are not informed about where MMAR production facilities are located, regulation has not been possible. Issues such as water consumption, safety, wastewater disposal and neighbourhood character are just some of the concerns that the public has raised in regards to these facilities.

As there will be an option to grow up to four plants for personal use, as well as a medical and recreational market, will MMAR production facilities be phased out? From a local government standpoint MMAR production is the least ideal option for communities, and direction on their future is desired.

Regulation on recreational cannabis production should be similar to medical production under ACMPR. Under ACMPR regulations there is a system where local government and emergency services are notified when a production facility is proposed if there is zoning. Many rural areas are not zoned due to the sparse geography. We request that a local level, notification and approval for recreational production be equally as rigorous, regardless of whether the area has zoning in place. A referral process should be implemented to allow appropriate comment periods prior to the license being approved.





### Comments on Retail

Co-location of cannabis and alcohol retail is not recommended in the discussion paper. In small rural communities, this will pose an issue as a combined gas station/grocery store/liquor store may be the only local commercial hub. In larger centers the separation of cannabis sales from other retail is an easier task, however regulations on this issue will also be required for rural areas. Legalization presents opportunities for economic development in rural areas and private and/or direct distribution should be looked at as an option to encourage this economic opportunity.

Direction on retail store setbacks from schools, community centres, and other regulations similar to what cities like Vancouver have already implemented will be valuable to Local Government as well.

### Closing Comments

Local Government will be looking to the Province for recommendations on land use regulations for retail and production facilities. Absent from the Discussion Paper was the focus on production facilities for recreational use, and their correlation with medical cannabis production regulations. The Regional District of Central Kootenay has very active production of legal and illegal cannabis, and in order to develop the industry in a manner which is sustainable and consistent with the rest of the Province, a clear vision must be shown so Local Government can begin preparing the necessary policies and procedures.

Thank you for the opportunity to provide input on this legalization process.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stuart Horn", is written over a horizontal line.

Stuart Horn  
Chief Administrative Officer

SH/DR





**THE RESORT MUNICIPALITY OF WHISTLER**

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Victoria BC V8W 9J7  
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November 1, 2018  
File: 4912

Dear Minister Farnworth

On behalf of the Resort Municipality of Whistler (RMOW), I thank you for the opportunity to provide feedback on the legalization and regulation of recreational cannabis in BC. The response herein provides initial comments on each of the issues noted in the Ministry's discussion paper. Our comments also seek to highlight and distinguish between those items that we believe should be the responsibility of federal and provincial levels of government, and those that should remain subject to local government or other authorities. Additionally, in cases where the Province may elect to play a direct role in the recreational cannabis market—specifically retail and distribution—our response stresses the importance of ensuring municipal bylaws and policies (e.g. zoning and business regulations) will not be overridden. We note there was a limited timeframe for submitting these initial comments. However, we understand that there will be ongoing opportunities to provide input, including through the Joint Provincial-Local Government Committee on Cannabis Regulation.

As BC's largest resort municipality, with over 3 million visitors per year, the overall experience provided to our visitors is critical to our resort economy and Whistler's economic contributions to the Province. Determining if and how cannabis consumption businesses, retail, production and distribution are introduced in the resort community and how cannabis will be used is critical to maintaining the Whistler experience. Similarly, revenue-sharing mechanisms must be part of any provincial government regulation and taxation program to ensure that Whistler has the resources to continue to provide a world-class resort experience where recreational cannabis is legal for Whistler's residents and visitors.

#### Minimum Age

The RMOW supports aligning the minimum age for recreational cannabis purchase, possession and use with the minimum age for alcohol (19 years). As a community with a higher than average proportion young people, the RMOW is concerned about the risks of cannabis use on youth. However, misaligned age restrictions for alcohol and cannabis will simply cause youth to obtain cannabis from the illicit market. Robust public education and mental health campaigns are the best approaches to mitigating the harms of cannabis on youth. These education programs and enforcing age restrictions for cannabis should be the responsibility of the Province.

#### Personal Possession-Adults

For the sake of consistency, the RMOW recommends setting personal possession limits that are identical to federally established limits. Stricter personal possession limits are likely to be difficult to enforce, may be confusing for people visiting from outside BC and are less likely to be as effective at



mitigating harms of use as other tools. Enforcing personal possession limits should be the responsibility of the federal government or the Province.

#### Personal Possession-Youths

The RMOW supports a prohibition on youth possession and use, similar to existing regulations for alcohol, provided these regulations have an educational focus and do not “criminalize” youth. These laws should be complimented with youth-focused public education efforts that educate youth on the harms of underage cannabis use. These education programs and enforcing youth possession regulations should be the responsibility of the Province.

#### Public Consumption

The RMOW supports extending existing provincial restrictions prohibiting tobacco smoking and vaping in certain areas to cannabis. However, the RMOW also recommends a general prohibition on any public consumption of cannabis with regulations that allow municipalities to designate areas where public consumption is permitted. These regulations could be similar to existing rules in [section 73 of the Liquor Control and Licensing Act](#). We note that while similarities exist between tobacco and cannabis use—cannabis is also an intoxicant and in the context of public consumption, rules for cannabis should not only align with rules for tobacco, but also with rules for alcohol. With regard to enforcing provincial public consumption laws, the RMOW expects that the Province will develop and implement an enforcement framework and funding model for this.

A more fulsome understanding of the impacts of licensed designated consumption areas (e.g. cannabis lounges)—specifically the potential nuisances and health impacts on workers, customers, and neighbours—is required to inform an effective regulatory framework. If the Province elects to legalize these types of businesses, any type of licensing program for these businesses should fall to the Province to administer and enforce. Additionally, the Province should take the lead on identifying the potential impacts of these types of businesses and disseminating this information to local governments so they can make informed decisions on whether or not to allow these types of businesses in their communities.

#### Drug-impaired Driving

To combat cannabis-impaired driving, the RMOW recommends that the Province:

- Develop and implement an extensive public education and awareness campaign to educate drivers—specifically young drivers—on the dangers of cannabis-impaired driving.
- Allocate financial resources to support local law enforcement agencies in enforcing drug-impaired driving laws and to recognize that these needs will change as technology and the legal framework related to cannabis-impaired driving evolves.
- Expand Immediate Roadside Prohibition (IRP), Administrative Driving Prohibition (ADP) and similar programmes to include cannabis impairment and ensure these programs include administration and appeal processes that are effective at identifying and punishing drivers who have used cannabis irresponsibly.





- Enact laws prohibiting cannabis transported in a vehicle from being accessible to the driver, similar to “open alcohol” rules in [section 76 of the Liquor Control and Licensing Act](#).

Public education and outreach has the broadest reach and the proactive benefit of *preventing* impaired driving. Although investing in other techniques is also required, it goes without saying that the Province should make a substantial and early investment in this area.

Local police needs are likely to change once cannabis is legalized and again later as new techniques and science related to impairment levels and detection emerge. In the absence of proven screening devices and impairment thresholds (i.e. THC concentrations in the body) for cannabis, provincial investment in this area should initially focus on increasing the police presence on roads, and training more officers as Drug Recognition Experts (DRE's). Currently, the Whistler RCMP detachment has only one officer certified as a DRE. Many other BC municipalities are likely in the same situation or have no DRE's at all. As roadside screening devices and “per se” impairment limits are developed, further funding will likely be required to equip and train local police forces on these new methods.

IRP, ADP and similar programs for alcohol-impaired driving have proven effective in reducing incidences of impaired driving in BC and the RMOW is confident similar programs for cannabis-impaired driving would also be effective. Noting the evolution of these programs for alcohol-impaired driving, their summary-like punishments and the current lack of per se impairment limits and detection devices for cannabis, it may be prudent for the Province to develop administration and appeals processes that are well-adapted to the unique challenges of identifying and penalizing cannabis-impaired drivers.

Additionally, though not mentioned in the Ministry's discussion paper, the RMOW recommends enacting laws similar to “open alcohol” laws that would prevent cannabis from being accessible to a driver. These additional laws would complement criminal impairment laws and IRP/ADP programs by helping to prevent drivers from becoming impaired from second-hand cannabis smoke, aligning with existing rules for alcohol and generally discouraging the use of cannabis in vehicles. It is our understanding that Alberta may also be considering such legislation.

Any laws and regulations pertaining to drug-impaired driving or the use and possession of cannabis in relation to motor vehicles should be the responsibility of the Province to enforce with resources provided to local police departments to cover additional policing costs.

#### Personal Cultivation

The RMOW recommends that provincial cultivation laws place no further restrictions on the number, size and location (i.e. indoor or outdoor) of plants that may be grown in homes. Instead the RMOW recommends the following:

- Educating strata corporations and landlords on their existing powers to enact and enforce bylaws and tenancy rules prohibiting or restricting recreational cannabis cultivation. Similarly, educating homeowners and tenants on their rights and responsibilities related to home cultivation through provincial agencies like the Residential Tenancy Branch.
- Amending the *Residential Tenancy Act* to allow landlords bound by existing tenancy agreements to impose new rules prohibiting or restricting recreational cannabis production and allowing



landlords to collect “cannabis deposits”, similar to pet deposits when indoor cultivation is an agreed-upon term of tenancy.

Strata corporations, landlords and municipalities already have powers under their respective legislation to prohibit or restrict recreational cannabis cultivation. Municipalities also have existing licensing powers and could elect to use them to regulate home cultivation. With the exception of the *Residential Tenancy Act* issue noted below, there are no existing barriers that would prevent municipalities, landlords and strata corporations from enacting home cultivation rules adapted to their specific concerns and circumstances. The appropriateness of home cultivation and associated safety and security measures will vary greatly between different homes and communities. Therefore, it would be prudent to allow—but not require—strata corporations, municipalities and landlords to develop and enforce rules for home cultivation that are most appropriate. Provincial regulations in this area are more likely to be imprecise and overbearing.

Where landlords are subject to existing tenancy agreements, the *Residential Tenancy Act* currently prohibits a landlord from adding new terms to the tenancy agreement. It is not likely that landlords in this situation will be able to prohibit recreational cannabis cultivation on their property once the *Cannabis Act* comes into force. If the *Residential Tenancy Act* is left unchanged, landlords may seek ways to evict tenants (e.g. through “renovictions”) as a means of establishing new tenancies with rules prohibiting cannabis cultivation. This would have obvious impacts on housing which is already a major concern in Whistler and other areas of the province. Growing recreational cannabis is not a necessity or inherent right of tenancy. Like pets and smoking, cannabis cultivation may, in certain circumstances, be a health and safety concern or cause property damage. It would be appropriate and fair to ensure all landlords are given the chance to decide whether recreational cannabis can be grown on their property under existing tenancy agreements. Additionally, giving landlords and tenants the option of “cannabis deposits” provides a valuable tool to assist landlords and tenants in creating mutually-agreeable tenancy agreements and preventing tenancy disputes.

While municipalities, landlords and strata corporations can be expected to enforce any rules they enact regulating home cultivation, enforcing any additional Provincial regulations, or the federal limits on the size and number of plants, should be the responsibility of the provincial and/or federal governments.

### Distribution Model

The RMOW supports a distribution model that:

- Minimizes illegal supply chains for cannabis.
- Maintains municipal zoning control and business regulations over distribution facilities.
- Allows retailers and ultimately customers to select cannabis products from the suppliers they prefer by offering products from a variety of producers, including local or small-scale producers, while providing adequate controls to prevent criminal activity.

The RMOW does not recommend a particular distribution model per se, but rather one where all of the above conditions are met.



### Retail Model

The RMOW supports a retail model that:

- Minimizes the influence and presence of criminal elements in the cannabis retail market.
- Retains municipal zoning and land use controls and business regulations over retail facilities.
- Keeps prices reasonable for consumers, so as to ensure that the legal cannabis market has a competitive advantage over the illicit market.
- Gives communities control over the local retail model so as to make it responsive and adaptable to local issues, concerns and consumer preferences (e.g. location, number, character, hours of operation etc.)
- Ensures communities share in the economic benefits created by cannabis retailing, including distributing a portion of provincial cannabis sales taxes to the communities where cannabis is sold.

Considering the above, a provincial retail monopoly or a hybrid system where the Province is a retailer, raises a particular concern that should be addressed in any legislation establishing the Province as a cannabis retailer. Generally, the Province is exempt from enactments that bind or affect it in the use of land. In the case of cannabis, this power may exempt provincial cannabis retailers from municipal zoning bylaws, allowing the Province to locate cannabis retail facilities in any municipality against the wishes of the community. Such overriding powers are unnecessary for the retail of recreational cannabis and municipalities should have the final say on if and where recreational cannabis facilities are located in their communities.

Should the Province pursue a provincially-run system, the RMOW recommends that the legislation enabling provincial control require provincial cannabis retail facilities to comply with local zoning and other municipal bylaws.

### Summary

We trust that the points we have raised in this response will prove informative in shaping a framework for legal cannabis in BC that is safe and enjoyable for everyone. We look forward to the continued engagement with the Province on this issue. Again we thank you for the opportunity to comment on this matter.

On behalf of the Resort Municipality of Whistler

Nancy Wilhelm-Morden  
Mayor

# Responsible Marijuana Retail Alliance of BC

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Stakeholder submission for B.C. Cannabis Regulation Engagement



OCTOBER 2017

[responsibleretail.ca](http://responsibleretail.ca)



# Responsible Marijuana Retail Alliance of BC

## INTRODUCTION

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The B.C. Government and Service Employees' Union (BCGEU) and B.C. private liquor stores represented by the Alliance of Beverage Licensees (ABLE BC) formed the Responsible Marijuana Retail Alliance of B.C. in 2015 to work together on a common goal: to see legal, non-medical marijuana warehoused and distributed through the existing Liquor Distribution Branch system, including sales in private and public liquor retail stores in B.C.

British Columbia already has an efficient system in place to handle the sale of controlled substances. Our public and private liquor stores are regulated and, in most of cases, have above 90 per cent compliance rates for age verification. Youth in B.C. have a much more difficult time accessing alcohol than tobacco. We need to ensure that marijuana legalization benefits our province while reducing risk by restricting sales to a strictly age-controlled environment with a robust track record of checking identification.

The Alliance believes that the following five objectives should be at the core of our province's marijuana policy:

- 
- 1. Keeping marijuana out of the hands of minors*
  - 2. Using proceeds from sales to fund vital public services but setting prices to drive out the criminal element*
  - 3. Ensuring that consumer education highlights responsible consumption and any risks or health implications associated with excessive use.*
  - 4. Ensuring a safe, reliable and age-controlled system to access legal non-medical marijuana throughout British Columbia*
  - 5. Monitoring the program through thorough data collection and regular reporting to the public on performance.*
- 

We believe that regulating the retail landscape through the existing liquor control system, with its exemplary compliance and safety record, would be the most effective way to manage the marijuana retail system and achieve the five core objectives outlined above.

## DISTRIBUTION AND RETAIL SYSTEM

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Public trust and confidence in the handling and regulation of controlled substances are integral to a new non-medical marijuana retail system. The current liquor control system has an excellent track record of compliance, safety and trust related to controlled substances. In fact, many of the principles of compliance stated around the legalization of marijuana find their roots in the alcohol control regime.

Our provincial liquor systems have nearly a century of experience controlling the distribution of a controlled substance. Adding marijuana to the mandate means the established control infrastructure can manage the most problematic features of cannabis consumption that were rooted in illegal trade and focus on introducing it as a managed and controlled product in Canada.

Compliance has been a major aspect of marketing and controlling substances that have a potential negative public aspect. Since the end of the era of prohibition, the B.C. government has regulated and controlled liquor through various means—including minimum pricing protocols, safe handling and storage rules, random compliance checks and strict licensing requirements (including a provision to revoke liquor licenses from establishments or individuals associated with criminal activity). All told, thousands of rules, regulations, and policies make up the liquor control regime in British Columbia. With the move to legalize marijuana, we should look no further than what is already practiced in the legalized and meticulously regulated liquor industry. The liquor distribution system has developed through decades of experience and adaptation to changing societal needs and interests.

According to the liquor control and compliance branch, the current compliance rate of B.C.'s private and public liquor retail outlets is 93 per cent. This rate demonstrates that a private and public model of marijuana retailing can achieve similar results.

## AGE CONTROLLED STORES & TRAINED STAFF

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Age controlled stores are an important element of compliance, and all retailers of non-medical marijuana should be required to operate as a 19+ only environment, which mirrors B.C. liquor laws. The infrastructure for comprehensive age checks already exists in our liquor retail system, reducing the risk of underage use and compliance levels are regularly published for the public to see.

Trained and knowledgeable staff is yet another aspect of our liquor system that can similarly benefit a new legal, non-medical marijuana system. Customer experience best practices support having an educated and well-trained staff to elevate the overall non-medical marijuana experience. We believe regulations should mandate that staff have a minimum level of knowledge and expertise to sell and recommend marijuana and marijuana-infused products. As

mentioned, liquor store employees are already covered by minimum professional and educational requirements, and therefore infrastructure is already in place to add courses or certifications. Serving It Right is British Columbia's mandatory self-study course that educates licensees, managers and servers about their legal responsibilities when serving alcohol, and provides effective techniques to prevent problems related to over-service.

## MINIMUM AGE

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The Responsible Marijuana Retail Alliance of BC believes that keeping a minimum legal age of 19 would be in the public interest. While we acknowledge the debate that surrounds the discussion of a higher minimum age for marijuana use, we believe the new legalized non-medical marijuana system needs to be consistent with other provincial laws around minimum age. The potential for a higher minimum age of 21 or 25 for marijuana use could have unintended consequences and allow the black market to continue to exist and undermine public confidence in the new legal and regulated non-medical marijuana market.

## CONCERNS REGARDING CO-LOCATION

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We agree with a public policy approach that discourages co-consumption of marijuana, alcohol and tobacco, but we believe this goal can be achieved in many ways within B.C.'s existing regulated public/private sales and distribution model — possibly through signage, protected point-of-sale areas or a store-within-a-store model.

To date, there is no credible evidence that co-location leads to increased co-use. This has been reinforced by organizations like the Toronto-based Centre for Addiction and Mental Health who stated in their submission to the federal Task Force on Cannabis Legalization and Regulation that, “there is no evidence as to whether selling cannabis and alcohol alongside one another encourages or facilitates co-use.”

Co-location of products and behaviours has not proven to be a problem in other B.C. industries. Gambling services have been available in B.C. bars, lounges and casino venues for many years without complaint. Contraindicated medications – including Pain-relief and cold and allergy treatments – are sold alongside each other without an assumption of co-use, and vegetarians regularly shop in grocery stores where meat is sold without accusations of a risk of becoming carnivorous.



## CONCLUSION

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We believe that the legalization of non-medical marijuana must come with broader social benefits and the liquor distribution and retail system is already equipped to maximize those public benefits for British Columbians.

Profits from B.C. Liquor Stores and the Liquor Distribution Branch distribution network contribute more than \$880 million annually to education, health care and other vital public services. These funds help reduce taxes for British Columbians. The B.C. government could regulate marijuana as it does the liquor industry, with tax revenue for distribution and retail sales approaching that from alcohol over time.

On the distribution side, the LDB operates a secure network that already transports hundreds of millions of dollars in controlled substances every year. Creating a parallel system where one already exists would be unnecessarily costly and time-consuming. Funds would be diverted from important public services such as education and health care to duplicate the existing distribution network.

We have a real opportunity ahead of us in British Columbia. Through our alliance, we are ready to work with our partners at all levels of government to ensure that marijuana legalization benefits our province while reducing risk.



## **Saving the last of Richmond farmland for farming: FarmWatch feedback for Marijuana production on ALR**

Hon. Mike Farnworth  
Minister of Public Safety & Solicitor General  
PO Box 9285 Stn Prov Govt  
Victoria, BC V8W 9J7

Dear Minister Farnworth:

The City of Richmond's agricultural land reserve (ALR) farmland is under threat.

This farmland, which [falls within classes 1-7 of the BC Land Inventory classification system](#), includes prime farmland (classes 1-3) and also very valuable farmland (classes 4-5).

One of the key reasons for this threat is [expanded permitted uses](#) on ALR farmland.

Since 1973, the province has allowed ALR farmland to be removed for large-lot, sprawling residential subdivisions, and [one and two-story suburban shopping malls](#). At the same time, the Federal government [has been buying farmland as a land bank for industrial development](#) for Port Metro Vancouver. The province has also allowed bed and breakfasts, churches, commercial nurseries, golf courses, gravel pits, horse stables, kennels, private schools, soil fill operations, storage facilities, timber production and wineries on protected farmland.

Land speculators and property developers have also [been buying farmland](#), driving up prices. Since the implementation of the [15 per cent Foreign Buyers Property Transfer Tax](#) - which does not apply to farmland - tracts of Richmond ALR land, used for growing vegetables, have been [bought and turned into sprawling mega-mansions](#).

In 1961, Richmond had [483 farms](#). By 1996, there were [350 farms](#). By 2011, the number shrank to 211 farms and now, there are just 189 farms.

<b>Richmond Farms</b>	<b>2011</b>	<b>2016</b>
Total number	<b>211</b>	<b>189</b>
Farms under 10 acres	118	112
Farms 10 - 69 acres	71	51
Farms 70 - 129 acres	6	9
Farms 130 - 179 acres	2	3
Farms 180 - 239 acres	3	3
Farms 240 - 399 acres	7	9
Farms 400 - 559 acres	4	0
Farms 600 - 759 acres	0	2

Source: Stats Canada, *Census of Agriculture, 2016*  
[Table: 004 - 0201](#)

## **The problem with cannabis production on ALR land**

Richmond FarmWatch's goal is to strengthen agriculture on agricultural land reserve lands. We are concerned about the production of marijuana on ALR Farmland for two reasons.

### **1. Food Security**

BC needs to prioritize its limited remaining farmland for current and future food security, and the viability of the food-based agricultural economy.

Although the province has high capacity farmland, it produces only [45 per cent of its food](#), according to Dr. Lenore Newman, [Canada Research Chair in Food Security and Environment](#), and a University of the Fraser Valley professor.

The real estate boom has made the price of Richmond's farmland skyrocket. Allowing large greenhouse cannabis facilities on ALR farmland will only [increase the price of already priceless farmland](#).

While Richmond currently has no plans to allow any marijuana growing on ALR farmland, Richmond FarmWatch is concerned about the spread of the industry from its current industrial-zone-only mandate. Richmond FarmWatch opposes the expansion of large-scale greenhouse operations on farmland which take valuable farmland out of production.

Notwithstanding this, we are not opposed to greenhouses when appropriate for food growing. Small-scale farms occupying a small portion of their land with soil-based greenhouse production (not paving the greenhouse with concrete) is an important season-extension technique to be protected for food production.

### **2. Environmental**

Industrial-size indoor marijuana operations should be restricted to non-ALR farm areas.

#### **Light pollution**

Indoor cultivators typically use high-heat, high wattage LED or high-pressure sodium lights to [help plants grow faster and larger](#).

These lights cause significant light pollution, the [excessive use of invasive, bright, artificial light](#), that causes blinding glare and sky glow harmful to [wildlife](#) such as amphibians, mammals and also [bees](#) which require darkness at night. The light [disrupts bats](#) and [frogs](#), so they go elsewhere. This has serious consequences for residents because sloughs are mosquito breeding grounds. [West Nile virus has been found not far from here](#) and with warming temperatures, the [Zika virus could be](#) on its way.

The [South Slough area of Richmond](#), is one of the last remaining large tracts of agricultural land close to Vancouver and covers six square miles.

It is also a fragile ecosystem which includes sloughs - the Finn Slough, the Horseshoe Slough and the Woodward's Slough, home to a range of wildlife including bald eagles, hawks, Sandhill cranes, and Barn, Barred and Snowy owls, as well as bats, frogs, birds, raccoons, coyotes, and skunks. It is also a [diverse and significant aquatic habitat including a salmon nursery](#).

Currently, the [Little Brown Bat](#), an [endangered species](#), the [Pacific Tailed Frog](#) and the [Western Toad](#), also an [at-risk species](#) are barely hanging on.

A [BC Ministry of Environment report](#) found in one summer season, a colony of 150 Little Brown Bats can eat 38,000 cucumber beetles, 16,000 June bugs, 19,000 stinkbugs and 50,000 leafhoppers.

**Pesticides, herbicides, rodenticides and tubing**

Cannabis operations potentially use significant amounts of rodenticides and toxicants to keep rodents and insects from eating plants or gnawing on irrigation tubing. These include [aluminum phosphide](#), [bromodialone](#), and [malathion](#).

While these poison chemicals require hazmat protocols, they have been found to be used and can spread in groundwater. They could potentially leach into Richmond's soil and thriving wetlands and sensitive sloughs, persisting for years.

In agricultural areas, farmers rely on coyotes, owls and other wildlife as pest controls, which have a diet heavily dependent on rodents. These chemicals cause neurological damage and internal bleeding in rodents and have lethal effects on wildlife. When ingested, the poison is passed up the food chain.

Yours sincerely,

The block contains two handwritten signatures in blue ink. The first signature, 'Michelle Li', is written in a cursive style. The second signature, 'Laura Gibbard', is also in cursive and appears to be written over or next to the first signature.

Richmond FarmWatch is a grassroots group of farmers and residents who have protected farmland for the past five years, with significant success.



**RUBICON HOLDINGS INC.**

**STAKEHOLDER SUBMISSION**  
**TO THE BRITISH COLUMBIA GOVERNMENT'S CONSULTATION ON CANNABIS**  
**LEGALIZATION**

NOVEMBER 1, 2017



## SUMMARY

Rubicon Holdings Inc. (dba "Rubicon Organics") is a strong advocate for access to clean and safe non-medical and medical cannabis. As a late-stage Licensed Producer ("LP") applicant under the Access to Cannabis for Medical Purposes ("ACMPR"), Rubicon Organics has been vigilantly watching legal markets internationally for best practices in preparation for Canada's regulations to take form. Rubicon Organics' management team has experience in Canada's medical market, having co-founded one of Canada's first legal producers, and internationally by consulting for both cannabis cultivators and organic greenhouse agricultural corporations. Rubicon Organics plans to lead the international organic cannabis market and provide affordable access to consumers and patients locally and internationally.

Bill C-45 (the "Cannabis Act") seeks to provide a regulated supply of cannabis, eliminate the black market and restrict harms associated with consumer use. While this is an incredibly exciting time for Canada, there remains a significant amount of regulatory work to be done both creating and implementing the system and then enforcement thereof. The federal government has set forth regulatory implementation and distribution expectations for provinces and territories and in response the Government of British Columbia ("BC") created the *Cannabis Legalization and Regulation in British Columbia Discussion Paper* (the "Discussion Paper"). The Discussion Paper outlines various concerns held by local authorities and municipalities, particularly in terms of a foreseeable lack of financial and informational support from the federal regulatory forces. On this note, Rubicon Organics commends the Government of BC for utilizing public and stakeholder consultation in the development of their regulations. Rubicon Organics' management has expertise in various cannabis markets, both medical and non-medical, that has awarded them strong foresight and knowledge which they hope will benefit BC as it rolls out provincial regulations.

The Government of Canada has clearly identified priorities with respect to nation-wide cannabis legalization. These priorities include eliminating the black market and providing safe, controlled access to cannabis for adult consumers. Rubicon Organics believes a competitive marketplace with clear regulations must exist to combat these issues and ensure success. **With consumer safety and eliminating the black market in mind, Rubicon Organics would like to see consumer regulatory consistency amongst provinces and territories, LP vertical integration, direct-to-consumer sales, and visible branded product within retailers.** We believe that the provincial system should allow for **equal access** to consumers and regulatory support for LPs of all sizes, from craft to largescale. Competition will increase innovation and maintain BC's dominance and reputation worldwide.

The following submission has utilized the Discussion Paper to identify BC's priority policy considerations for the development of their regulatory regime for non-medical cannabis in BC. These priorities are as follows:

1. Personal Possession
2. Public Consumption
3. Drug-Impaired Driving
4. Personal Cultivation
5. Distribution Model
6. Retail



## **1. Personal Possession - Adults**

Rubicon Organics suggests the Government of BC enact a policy consistent with other provinces and territories regarding possession limits. Bill C-45 has identified a 30-gram possession limit and the Government of Canada has further clarified equivalencies with non-flower cannabis products such as edibles, concentrates and seeds. Rubicon Organics agrees with the Discussion Paper's view that a consistent limit country wide will be easier for the public to understand and comply with. However, education regarding possession limits must be clearly provided to consumers for this framework to be successful.

## **2. Public Consumption**

### *Cannabis Smoking and Vaping*

Rubicon Organics believes that BC should extend existing restrictions on tobacco smoking and vaping to cannabis smoking and vaping. As such, adults would be permitted to smoke or vape cannabis anywhere they can smoke or vape tobacco. However, Rubicon Organics believes cannabis vaping should be permitted in public parks. Vaping cannabis has virtually no odour and is therefore less likely to cause attention or to be a nuisance to onlookers.

### *Other Forms of Consumption*

Rubicon Organics encourages the Government of BC to permit public consumption of non-inhaled forms of cannabis on public property. Micro-dosing of edibles is common in other legal jurisdictions. 2.5 milligrams to 5 milligrams of THC per serving can roughly equate to a serving of alcohol, however consumption of this serving is very difficult to detect. As such, Rubicon Organics agrees with the Discussion Paper that it may be more practical for the Government of BC to rely on public intoxication and disorderly conduct laws to manage intoxication issues related to public consumption.

## **3. Drug-Impaired Driving**

Rubicon Organics believes that drug-impaired driving should mirror alcohol-impaired driving penalties. This would include a temporary rule stating that BC officers should issue a 24-hour roadside prohibition to a suspected drug-affected driver, with or without a criminal charge. While Rubicon Organics does not believe this should be a permanent measure, it should remain in place until such time enough scientific evidence is available to link a particular blood THC level with impairment to replace enforcement action based on suspicion.

To increase police accuracy in determining impaired driving, Rubicon Organics believes the Government of BC should invest in Standard Field Sobriety Tests (SFST) and Drug Recognition Experts (DRE).

## **4. Personal Cultivation**

Rubicon Organics agrees with Bill C-45's recommendation to permit four cannabis plants per household, up to a maximum plant height of 100 centimetres, with no restrictions on location of cultivation. Some jurisdictions differentiate in terms of standard fire requirements, level of break-in threat, and the risk of underage drug consumption, therefore local governments should be permitted to add additional requirements for home cultivation. Such requirements could include a local permit to cultivate and required security provisions. Regulatory officials should take care to ensure that personal cultivation does not lead to criminal diversion.



## 5. Distribution Model

Three distribution models have been proposed to the Government of BC as per the Discussion Paper: government, private and direct. Rubicon Organics strongly believes the most successful model is one that permits market competition and the vertical integration of LPs, where in they can deliver their own product directly to licensed retailers and own retail locations themselves. **The Government of BC should regulate vertical integration by limiting the amount of retail locations a LP can own (i.e. 5-10) to increase competition, encourage innovation and consumer choice while the industry emerges.**

While government distribution has been proven successful with alcohol, the threat of black market alcohol is much less significant than cannabis's black market. A regulatory model that permits a single player, even a governing body, to determine all pricing for a substance is at risk of competition from those operating illegally. Consumers who have grown accustomed to illegal transactions will continue to see the black market as a viable option if prices are too high. Market competition will reroute consumers to licensed sources with competitive pricing.

Product diversion is an additional regulatory concern for both LPs and governing forces. Stolen product is a financial burden on all parties but the assimilation of illegally produced cannabis and cannabis-derived products into retailers and distribution hubs is a health threat. Vertical integration will limit potential issues in supply chain by allowing seamless seed-to-sale tracking with minimal regulatory oversight. Additionally, this model will also protect margins to limit black market success by making way for healthy, legal market competition.

Vertical integration can extend to direct-to-consumer deliveries from LPs as an additional option for distribution. The ACMPR has proven direct-to-consumer deliveries as a successful distribution method and this should be extended to BC's non-medical market. By limiting third-parties, LPs can utilize seed-to-sale tracking to restrict potential diversion and ensure access to cannabis in rural areas and to those with mobility challenges. Customers will be required to register, ensuring age verification and clean record-keeping.

## 6. Retail

Rubicon Organics supports a mix of both public and private cannabis retailers. The City of Vancouver has taken the initiative to municipally license a set number of retailers should they meet identified requirements, some of which being distance from schools and other retailers, criminal history checks, etc. Rubicon Organics suggests these requirements are incorporated into provincial regulations with additional health, safety and security operating standards.

As discussed above in Rubicon Organics' distribution feedback, healthy market competition will restrict the black market's appeal to consumers. This market competition should occur on varying levels: retail and product. Retailers and private direct-to-consumer services should compete on product variety, pricing and customer service while LPs should have consumer-facing competition in product quality and visible branding within retailers allowing opportunities for craft and large-scale LPs to equally compete. This visible branding will attract consumers into licensed retailers and promote brand loyalty, ultimately drawing appeal away from black market transactions. To successfully challenge the black market, consumers must find value in legal distribution and retail. This value can be found in brand loyalty, product quality, and customer service.





October 21, 2017

Honourable David Eby, Attorney General  
P O Box 9044  
STN PROV GOVT  
Victoria, British Columbia  
V8W 9E2

Dear Attorney General Eby,

Congratulations on your new appointment as Attorney General.

Please accept this response to your request for submissions regarding BC cannabis regulation.

The RASAS (Rural Agency Store Advisory Society) is a society working with government to provide feedback and advice on the distribution and retail of liquor products throughout rural British Columbia. There are currently 254 Liquor Agents operating agency stores covering approximately 85% of the Province ensuring all legal age British Columbia residents have equal access to liquor products in a safe, secure and appropriate environment. As liquor agents we believe we are ideally placed to provide you with insight into this topic through our decades of experience operating agency stores in small communities across BC.

We have polled our members and discussed the key topic areas under your review and submit the following recommendations:

#### Minimum age

As liquor agents we sell a number of age restricted products including, but not limited to, Tobacco, Liquor & Lottery products. Ensuring front end staff follow proper ID procedures is a high priority and a constant challenge. We work hard to always meet the governments objectives and our collective compliance record reflects this. We would recommend harmonizing the legal age to 19 in order to avoid confusion and complicate current practice and policy.

#### Personal Possession Limits

Our membership feels that its expertise does not prevail regarding this issue. Also, it should be recognized that a retailer would not be able to determine how much marijuana a customer may already have in their possession. Given the fact that there are no possession limits on tobacco and/or alcohol, we feel that this particular item really comes down to a legal issue and therefore would rely on those experts to determine if possession limits are needed and are able to be enforced. We have encouraged our members to participate in the online submission if they have strong, individual opinions on this matter.

#### Public Consumption

We would encourage a parallel approach to current regulation on public consumption of alcohol and following current tobacco regulation.

### Drug Impaired Driving

Our members support all current enforcement to ensure impaired drivers are not on our roads. We support the same penalties as are currently in place and are happy to work with government in order to determine an approach to reduce the potential of an increase of impaired drivers. Given some of the challenges around enforcement we feel strongly that a proactive approach at point of sale will be an important element.

### Personal Cultivation

Again, we return to the same issue as possession. Our members have individual opinions on this matter and again, we have encouraged them to participate in the online submission. The group, as a whole, does not want to see a black market in our, or anyone else's, neighborhood and do agree that most consumers will not take the time and effort needed to cultivate marijuana if there is a convenient and affordable retail option. We see this as a key strategy in avoiding this current black market. The other item of note is that if there will be a personal possession limit imposed, then the allowable personal cultivation amount should be in line with possession limits.

### Distribution and Retail Models

As liquor agents we are best suited to ensure key government objectives are being met around the sale and distribution of marijuana in rural British Columbia. We have a well-established relationship with government and we are, in many cases, the sole provider of a range of age restricted products in our individual communities. We strongly encourage a regulatory model based on current liquor regulation which, in our collective opinion, is working well to serve rural British Columbians. A liquor agent often represents the only business or storefront serving a specific area. In some cases, agents serve communities with large fluctuations in population (seasonal) or are simply too small to support multiple independent businesses. Often a one stop shop is the only viable business solution. As a result, agency stores are also grocery stores, restaurants, gas stations, post offices or any combination of these. Should liquor agents be excluded in any future distribution and retail model, it would likely result in a number of communities lacking a convenient, safe and appropriate means of access to marijuana products. This in turn would continue to encourage a black market and would likely undermine key government objectives of limiting access to youth. We support a distribution model that emulates the current liquor distribution model. The owners and employees of the establishments that currently serve the liquor, lottery and tobacco industries are well versed in dealing with the underage buyer as well as the intoxicated one and have sage experience in how to deal with those consumers. We feel that utilizing the existing line of liquor distribution is the best model as it provides an opportunity to use an already in place infrastructure, maximizing the return to the government due to its synergies.

This is a complicated topic and we do feel we have a great deal of practical hands-on experience that we would like to share with ministry staff. We therefore would also like to request an opportunity to meet and discuss the above in much greater detail. Thank you for receiving our submission and we look forward to hearing from you in the future.

Sincerely,  
Colby Woodhead  
President  
Rural Agency Store Advisory Society

I am forwarding this e mail on behalf of the Board of Education for School District 42, Maple Ridge and Pitt Meadows. We recently discussed the discussion paper and have the following comments:

**Minimum Age**

In our view the minimum age for the possession and consumption of cannabis in BC should be 19 years to be consistent with the minimum ages for the possession and consumption of tobacco and alcohol, and with the BC age of majority.

**Personal Possession – Youths**

Youth under 19 should be prohibited from possessing any amounts of cannabis and while simple possession of small amounts would not be subject to criminalization, trafficking/possession of larger amounts certainly should. Youth found in possession of small amounts should have it confiscated and a ticket/fine issued. A legal guardian should also be notified by school administration or police who discover youth in possession. Adults having provided cannabis in any form to youth should be subject to trafficking charges. Our concern is that adults will purchase small quantities and resell or simply provide small quantities to youth, similar to how some adults (including older adult siblings) purchase alcohol from liquor stores on behalf of youth. A significant amount of the proceeds of the sale of cannabis should be directed toward additional enforcement focusing on the violations noted above and education on harmful drug use (either the excessive use of cannabis or the use of hard drugs), particularly youth education.

**Public Consumption**

Additional restrictions should be established to prohibit cannabis smoking and vaping in or adjacent to schools and daycares and in public parks, beyond the restrictions already in place for smoking in public places.

**Retail**

Additional restrictions should be established to ensure retail outlets are located at a significant distance away from schools and daycares.

Thank you for considering our input.

Mike Murray  
Chair,  
SD42, Board of Education

SCHOOL DISTRICT #81  
(FORT NELSON)

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BUILDING  
FUTURES  
TOGETHER

November 1, 2017

Ministry of Public Safety and Solicitor General  
Attn. Cannabis Legalization and Regulation Secretariat  
Box 9285 Stn. Provincial Government  
Victoria, B.C.  
V8W 9J7  
Email: cannabis.secretariat@gov.bc.ca

**RE: Submission re: The Legislation of Non-Medical Cannabis and it's Potential Impact on Students**

Of utmost importance is the need to continue to ensure our schools are safe learning environments. To this end, the regulatory framework needs to support existing Government regulations as well as School District and school based policies, which are clear and consistent around the prohibited use of drugs and alcohol in and around schools.

**Minimum Age**

We would strongly support the legal age for use of non-medical cannabis be set at 19 years of age or older. However, from what we've seen, heard and read on the subject, including THC and its connection to youth schizophrenia, we propose that the legal age should be higher, ie 20-21 years. The minimum legal access age should be similar to the minimum ages for the possession and consumption of tobacco and alcohol and with the BC age of majority. The legal access age should be standardized across the country.

**Personal Possession- Youths**

Anyone under 19 should be prohibited from possessing any amount of cannabis and while simple possession of small amounts would not be subject to criminalization, trafficking/possession of larger amounts certainly should. Youth found in possession of small amounts should have it confiscated and a ticket/fine issued. A legal guardian should also be notified by school administration or police who discover youth in possession. Adults caught providing cannabis in any form to youth should be subject to trafficking charges.

**Public Consumption**

Additional restrictions should be established to prohibit cannabis smoking and vaping in or adjacent to schools and daycares and in public parks, beyond the restriction already in place for smoking in public places.

**Retail**

Additional restrictions should be established to ensure retail outlets are located at a significant distance away from schools and daycares.

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 accepted use in their homes.
- The legalization of non-medical cannabis may shift attitudes towards cannabis use by students, who may think because it is legal, it is therefore safe to use. With the news reports of recreational drugs being laced with fentanyl this is a great concern of ours.
- This will have an impact on the overall physical and emotional health of students.

We appreciate the opportunity to provide input and thank you for considering our input.

Yours truly,



Linda Dolen, Chair  
School District No. 81 (Fort Nelson)



**BC should not be playing along** Not only would the legalization of marijuana place Canada in breach of three international treaties, but it would see Canada and British Columbia violate The Rights of the Child Treaty, which is the most ratified piece of global human rights legislation. *Article 33*: “States Parties shall take all appropriate measures, including legislative, administrative, social and educational measures, to protect children from the illicit use of narcotic drugs and psychotropic substances as defined in the relevant international treaties, and to prevent the use of children in the illicit production and trafficking of such substances.” Bill C. 45 fails to protect the populace, children most of all. The world stands committed to the United Nations conventions on drug control and the evidence based public health policy of strict restriction and prohibition. Unlike the stance of prohibition, legalization has no evidence from science of its efficacy and all reports of experiments, either from the past or currently underway, do not lend support to the legalization position but rather defeat it. The Prime Minister has pledged that the proposed changes would be evidence based and yet there is no evidence from public health science to support his position and it should therefore be defeated. Taking a gamble with public health policy is a terrible and dangerous mistake. This radical change in drug policy could well compromise Canada’s standing in the world in terms of human rights, and see our country sanctioned – and pressured to revert to strict control from within or outside of our country – after the damage has been observed as has been the case in Holland, Sweden, the UK and other regions of the world. This is not a case of Canada being a leader in terms of drug policy but a country that has failed to learn from the mistakes made by other nations or its own past experience during high rates of use of marijuana by youth, namely the pot heyday of the 1970s.

Colorado, Oregon, and Washington are now witnessing a massive pushback and the majority of towns and counties in those states have ordinances in place banning the sale of marijuana for any purpose. Portugal has also revealed that their experiment has failed, something the CBC needs to report on, and rates of use of drugs has increased not declined over the past five years. We are not on the leading edge but rather we are on the edge of a dangerous cliff that others have retreated from and the world is watching in disbelief. There are now petitions with the UN to see Canada stopped from not only injuring its own people with reckless drug policy but children worldwide as Health Canada continues to issue export licenses that take Canadian produced marijuana into vulnerable regions including Africa. It remains an open question if the Canadian taxpayer will have to pay for the damages done to other nation states if this practise continues. It appears that our country is being played by international drug entrepreneurs as fools, as they use this country as a gateway to the global marijuana market. Africa does not or want to be polluted by Canadian marijuana. Canada could lose an opportunity to have a seat on the UN Security Council – so serious is this breach and offense to other nation states.

**Assessment required** New Brunswick submitted a Child Rights Impact Assessment of Bill C.45 - [http://www.cyanb.ca/images/NBOCYA\\_Submission\\_to\\_Select\\_Committee\\_on\\_Cannabis.pdf](http://www.cyanb.ca/images/NBOCYA_Submission_to_Select_Committee_on_Cannabis.pdf), which was largely ignored by the politicians to the detriment of public health. BC must conduct such an assessment and make the results known to the public. The public is also deserving of a detailed cost analysis including how marijuana collisions and drugged driving fatalities impact ICBC rates along with the projected cost to our healthcare system. A report done by the CCSA found that just in Canada alone, marijuana-related car crashes cost a \$1.8 BILLION dollars in 2012. That's just the car crashes, and those were directly related to marijuana. Colorado after experimenting with legalization has seen an increase in marijuana related traffic deaths, poison control calls, and emergency room visits especially for members of the Black community who use at a higher rate and are targeted by the industry – who place pot stores in their neighborhoods, just like the alcohol and tobacco industry have done for decades. They talk a mean streak about marginalized communities and the law but not nearly enough about the harm this drug does to minorities in terms of health.

**Trudeau supports marijuana home grows.** Growing marijuana indoors poses serious health problems as it provides ideal conditions for the growth of toxic organisms. A deadly alfa-toxin can be associated with these strains, especially for individuals who are immune compromised. A 1996 study of 10,000 patients with invasive aspergillus, at Winchester Hospital in the UK, saw the cost per patient to treat or cure the disease rose to \$63,000, for a total in costs of \$633 million. Canadians if Bill C-45 passes into law as drafted will also be allowed to grow marijuana plants in the home. Cancer patients using marijuana have died from fungal infections contracted through marijuana. An 11 month old toddler recently died in Colorado after accidentally consuming marijuana and many other children have been compromised by marijuana being brought into or grown in their homes.

**The Current World View** Plans to legalize marijuana products are being carried out in contradiction to the outcome of a Special Session (UNGASS), held in New York at the United Nations in April of 2016. At this meeting, world

drug control partners recommitted to international cooperation in implement effective prevention, treatment and rehabilitation measures and acknowledged their ongoing responsibility to counter the world drug problem. The Cannabis Legalization and Regulation Task Force discussion paper of June 2016 reads: “Canada is party to the three major United Nations (UN) Conventions on narcotic drugs. In the context of the Convention, Canada is obliged to criminalize the production, sale and possession of cannabis for non-medical and non-scientific purposes. Legalization of marijuana is not in keeping with the expressed purposes of the drug convention.” On November 30, 2016, the Task Force wrote to the government: “While it is not part of the Task Force’s mandate to make recommendations to the Government on how to address its international commitments, it is our view that Canada’s proposal to legalize cannabis shares the objectives agreed to by member states in multilateral declarations, namely; to protect vulnerable citizens, particularly youth; to implement evidence-based policy; and to put public health, safety and welfare at the heart of a balanced approach to treaty implementation.” Pick which answer you think is correct – it says a good deal about the credibility of the task force, read the chair’s disclosure statements if you really want an eye-opener.

In November of 2016, the Pontifical Academy of Sciences (PAS) held a meeting at the Vatican with international experts, led and inspired by Pope Francis and Queen Silvia of Sweden. A statement was issued at the end of the meeting: We recommend the following actions to be taken: Support the three UN treaties governing licit and illicit drugs, which are signed by virtually every nation. These treaties permit medical use of drugs, with tight regulations to prevent diversion for non-medical use and which criminalize the nonmedical sale and use of these same chemicals. Governments have a moral and ethical responsibility to secure and defend the common good of their citizens’. As trafficking of drugs imperils the health, security and the rule of law in nations, any compromise can be viewed as complicity. Governments must unequivocally pursue drug trafficking at every level. They have a responsibility to denounce and criminalize corrupt banks, bankers and money launderers that profit from the drug trade, and thwart large scale and local drug trafficking. Governments must not engage in any public, private or covert agreements to gain financial support for political or personal reasons from drug traffickers or industries. Such agreements subvert the common good, trust, health and safety of their people, especially, their youth. Instead, governments have a public health, legal and moral responsibility to confiscate the gains of these traffickers/industries and to use these proceeds to fund assistance programs for the victims, which include providing treatment, prevention and medical services, family support, as well as educational and employment opportunities. Governments should not use any ill-begotten gains from drug trafficking or sales to generate political messages, regulations or laws that foster use of abusable drugs and subvert public health and safety laws and regulations. Reject drug legalization for recreational purposes as a hopeless, mindless strategy that would consign more people, especially the disadvantaged, youth, the poor and the mentally ill, to misery or even death while compromising civil society, social stability, equality, and the law. The foundations of this balanced strategy are fundamental human rights that include drug prevention and recovery among the world’s diverse communities, with a special focus on the goal of protecting youth from drug sales and drug use, in accordance with *Article 33 of the Convention on the Rights of the Child*. The prevention of addiction among youth (less than age 21) is a high priority, and achievable by rejecting the use of marijuana and other rewarding substances. The underlying reasons for this priority need to be conveyed to youth and their parents in collaboration with health, educational and local communities.

ONE MILLION SIGNATURES SUPPORTING UN SANCTIONS ON NARCOTICS PRESENTED TODAY!! Dear Colleagues: On behalf of the Drug Prevention Network of the Americas and as a member of the Global Drug Prevention Network, I want to congratulate and commend all those who worked so hard to collect 1.3 million signatures for the 2003 Vienna Declaration, which was presented today, April 14, 2003, to Mr. Antonio Maria Costa, Executive Director, United Nations Office on Drugs and Crime and the UN Commission on Narcotic Drugs in Vienna. This is an impressive and powerful statement in support of responsible international anti-drug policies and against efforts by proponents of drug legalization to change and weaken UN Conventions on Drugs. Drug Prevention Network of the Americas, Global Drug Prevention Network. **THE WORLD SUPPORTS PROHIBITION.** Those that say prohibition doesn’t work either don’t know the historical record or the worldwide experience. Canada has suffered under defacto legalization, been heavily influenced by a powerful pot lobby and industry, police who have been told to not take simple possession seriously – so that users openly flaunt and undermine the law, and by a Prime Minister who used marijuana as a sitting MP and flaunted the Criminal Code of Canada and announced to the world his doing so. Canada has also had legal access to marijuana for medical purposes since 2001 and that has served to dampen the perception of risk amongst all age groups. Marijuana remains an experimental drug and is not a recognized medicine by any reputable medical association anywhere in the world. We have also been in the grips of harm reductionism – which downplays the need for education and places the rights of the user ahead of the rights of children. This failed

approach is embraced by many elected officials and public servants in Canada and accounts for much of the problem in terms of implementing policy that is based in evidence and works. Sweden, Switzerland and Portugal all attest to the fundamental flaws with harm reductionism. It is incredulous to argue that a drug that is unsafe should be legalized under the pretense that it can be used in a “safer” way or to argue it is safer than alcohol or tobacco when in fact it is well evidenced to be unsafe by a mountain of scientific evidence. Harm reductionists fight prohibition every step of the way but they can and are proven to be wrong. They need to let go of defending a failed ideology and use evidence in determining public policy.

**Marijuana and Violence** In reviewing the evidence that legalization is a gross mistake in terms of public health policy I ask that you address the issue of violence and an association that has been linked through the evidence of science with marijuana use and to consider the ramifications and costs to society a more permissive drug policy would mean for all of Canadian society. In reviewing the evidence of science on the impact of marijuana use on the developing brain and on the link to addiction I ask that you consider the damage this drug can do not only to an individual’s life but also to the Canadian family and our nation’s productivity. **The Science Too Few Talk About:** *Continuity of cannabis use and violent offending over the life course*; a study of 411 young males designed to investigate the association between marijuana use and violent behavior showed that continued cannabis use was associated with 7-fold greater odds for subsequent commission of violent crimes and that impairments in neurological circuits controlling behavior may underlie impulsive, violent behavior, as a result of cannabis altering the normal neural functioning in the ventrolateral prefrontal cortex. The results showed a strong indication that marijuana use predicts subsequent violent offending, suggesting a possible causal effect. The link to marijuana use and increased violence is a vastly neglected discussion in the public debate over whether or not the commercialization of marijuana products is in the best interest of all of society. *The Journal of The American Medicine Association (JAMA)* on August 31, 2016 published; *Parental Psychiatric Disease and Risks of Attempted Suicide and Violent Criminal Offending in Offspring. A Population-based Cohort Study*. The study had found that elevated risks of both attempted suicide and violent offending in offspring were evident across a broad spectrum of parental psychiatric disease, with the links being strongest in relation to parental antisocial personality disorder, cannabis misuse, and attempted suicide. The study emphasized that interventions that aim to reduce the incidence of parental substance misuse may help to reduce their offspring’s future risks of suicidality and violence. There are now over 23,000 studies on the impact of marijuana on the human being. I refer you to Pubmed for the studies that establish harm, and to the website of Health Canada that also address these concerns. If Canada moves on this course of action, both provincial and federal governments will be held accountable for the damage inflicted on a wholly ill-informed public in the years and decades to come.

When our organization testified for the Task Force on Legalization we opened my remarks with a question for the committee and we wish to put the same question to those of you now convening to review the health impacts of marijuana legalization. The question was simple: How does a responsible government move forward to legalize a drug that their lead health agency advises - males not to use marijuana for any purpose if they wish to start a family and females to avoid if pregnant. (Over half of pregnancy are unplanned, and the greatest risk of damage to offspring from marijuana is within the first two weeks of conception.) In the past week the international media shared with the world scientific evidence coming from British Columbia that linked sperm morphology and the potential for sterility to the use of marijuana products. (<http://metro.co.uk/2017/09/02/smoking-marijuana-may-be-making-your-sperm-lazy-6898599/>) The six hour presentation that we engaged in with the Canadian task also took up the serious issue of the cost to human life as well as the direct financial costs to the Canadian taxpayer over the issue of thalidomide use by pregnant women in decades past. In 2015 the Canadian taxpayer paid out over \$180 million to one hundred victims of thalidomide. The reason was simple: The Canadian government had provided the drug to the open market after they knew of the risk of serious birth defects to the offspring of people who took this drug. A submitted a brief to the Task Force that outlined the risks to reproductive health of users of marijuana and to their offspring and relied on the science acknowledged by Health Canada and included the science on chromosomal shattering and damage to DNA that is generational. Once again you have an ill-informed, misinformed public using a drug when the risks of birth defects has been substantiated by science and acknowledged by governments around the world, and lead agencies including the WHO. Not only were there no serious researchers on marijuana and reproductive health invited to testify before the House of Commons Standing Committee on Health over Bill C45 two weeks ago but rather the pot activists Jodie and Marc Emery were been given the time and opportunity to garner attention once again from the Canadian media and to share their warped illusions of marijuana’s benefits. The taxpayer paid for their travel. They are both out of jail on bail in Ontario. One member of our advisory council who is Nobel Prize nominee for science was passed



over, as was our youth delegation and many others. The Standing Committee on Health for the House of Commons of Canada held a week long hearing on the matter and it was orchestrated by a political agenda and a travesty.

The costs of legalization will be massive, and the most at risk of damage are the people in the territory of Nunavut, including specifically damage in terms of marijuana induced teratogenicity (congenital abnormalities), and increased deaths by suicide. Scientists have been alerted to an identified high incidence of marijuana use and corresponding high rates of birth defects in Nunavut. Nunavut has the highest frequency of any province for orofacial clefts. The Canadian Centre for Substance Use has this to say: A growing body of evidence suggests that marijuana use during pregnancy can negatively impact pre- and postnatal development. For example, marijuana use, particularly heavy use, during pregnancy can result in: A five-fold increase of the likelihood of distorted facial features compared to FASD babies. Deficits in memory, verbal and perceptual skills, and verbal and visual reasoning, beginning at age three or four. Impaired performance in reasoning and short-term memory at age six onwards, and deficits in reading, spelling and achievement, appearing around age nine. <http://www.ccdus.ca/Eng/topics/Treatment-and-Supports/Substance-Use-during-Pregnancy/Pages/default.aspx>. The lead researcher Dr. Stuart Reece on this topic was invited to Ottawa to address the government and then uninvited after he submitted his brief.

A study reported in the Canadian Medical Association Journal outlines the substantiated risks of suicide that follows marijuana use and how this related to the Indigenous populace. Reference:

<http://www.cmaj.ca/content/185/10/E433.full.pdf+html>

[http://www.nunatsiaqonline.ca/stories/article/65674cannabis\\_regulation\\_nunavut\\_must\\_take\\_its\\_time/](http://www.nunatsiaqonline.ca/stories/article/65674cannabis_regulation_nunavut_must_take_its_time/)

A 2004 survey from Nunavut showed 84.6% of men aged 15 to 19 stated they had used illegal drugs during the year, primarily cannabis. For males up to the age of 45, numbers were similar, dropping to 43.5 per cent after age 45. Among girls and women was lower at 69.3 per cent for girls aged 15 to 19 and falling to 49.6 per cent for those aged 25 to 44. Trudeau has said that if provinces are not ready the feds will implement a mail order service.

Statistics in 2013 reveal the per capita rate of cannabis offences in Nunavut where five times higher than for Canada as whole. A study of young males, designed to investigate the association between marijuana use and violent behavior, showed that continued cannabis use was associated with 7-fold increased odds for subsequent violent crimes. The research showed impairments in neurological circuits controlling behavior may underlie impulsive, violent behavior, as a result of cannabis altering the normal neural functioning in the ventrolateral prefrontal cortex. The results showed a strong indication that marijuana use predicts subsequent violent offending, suggesting a possible causal effect.

The proposed legislation allows individuals 18 years of age and older to possess up to 30 grams of marijuana and 12 years of age and older to possess up to 5 grams. Given the mountain of evidence that now exists that substantiates the risks associated with marijuana use by the young setting these age limits is not only in violation of international law but also is against the findings of evidence based science. This clause will likely be challenged under the Charter of Rights and Freedoms. Concerns over drug use and harm to children are recognized by public health agencies worldwide. A 2007 report compiled by the UNICEF Malaysia Commission, warned: "Drug abuse by a family member will have a significant and enduring impact on the family dynamics and functioning. Families encounter great stress, conflict and anxiety as a consequence of trying to protect the family member from the dangers and harms associated with drugs. "The Australian Institute of Family Studies found that the factors most commonly associated with the occurrence of child abuse and neglect were domestic violence, parental substance abuse and mental health problems.

**Risky Public Health Policy** "It's become one of the great social experiments of our time," said Governor John Hickenlooper of Colorado, in discussions on marijuana legalization with Chuck Todd of *Meet the Press* (NBC), on February 26, 2017. The central question becomes whether "experimenting" with marijuana policy is a risk worth taking in Canada; especially during a period of high rates of use by youth. This question has particular relevance as many young people have taken to high potency, modified marijuana products, that they prefer to experience through smoking. Survey results identify that many young people are vulnerable, as they are either under-educated, or ill-informed on the evidence from science that correlates marijuana products with harm. Canadians is currently experiencing a "relapse phase" in terms of marijuana use, and governments, educators, and parents are deliberating how best to respond to a heavy number of young people becoming regular or even daily users. Individuals do not just

fall into using hallucinogenic substances but rather they are pushed into use during periods dominated by permissive societal drug norms, in cultures that avail ease of access, and that are plagued by predatory profiteers. The reach of the emerging marijuana industry should not be under-estimated in deducing how youth are initiated to marijuana. Youth can be enticed to use “adult-only” marijuana products, just as they have been lured to take up restricted but legal tobacco and alcohol, and subjected to wide-spread normalization of these products. Virtually all regular tobacco smokers report they started using cigarettes before their eighteenth birthday and under the legal age of access in all Canadian jurisdictions. Young people in Canada are up against an ambitious marijuana industry, who have all the marketing expertise money can garner. An Australian documentary film produced in 2014 delves into the operation of American pot industrialists in Canada and their exploitation of country’s laws that allow Canadians access to marijuana for medical purposes. These entities are now exporting through Canada. This is taking place under the regulatory system created by the federal government. Cannabis Inc. is a half hour in duration and is easily accessed for free online. In 2013, the Canadian Centre on Substance Abuse (CCSA) surveyed Canadian youth on their perceptions of marijuana. Of those surveyed many held a belief that everyone smokes weed, viewed abstaining from cannabis as abnormal, and perceived positive effects more often than negative effects. They also were shown to perceive that marijuana products had the ability to help a person focus, relax, sleep, and be less violent and that marijuana improved creativity, and purified the body. Peer pressure, social connectedness to peers, and the drug’s popularity and availability were mentioned as factors influencing use. It was widely viewed that marijuana was much safer than alcohol or tobacco. Many of the study participants did not consider cannabis to be a drug. When CCSA researchers asked why those surveyed felt this way, their responses included; that it was “natural” (not man-made), “safe” and “non-addictive”. In January of 2017, CCSA released an updated survey: *Canadian Youth Perceptions on Cannabis, outlining current perceptions of Canadian youth on marijuana use: Cannabis isn’t harmful*. Most youth in the new study continued to hold the view that cannabis does not have significant harms, especially when compared to other substances. (The CCSA in 2017, became the Canadian Centre on Substance Use and Addiction.)

A Canadian government website offers information to consumers on marijuana risks and harms, along with warnings as to who should not use marijuana products for medicinal use. Those who should refrain from the perspective of Health Canada include persons under the age of 25, are allergic to any cannabinoid or to smoke, have serious liver, kidney, heart or lung disease, have a personal or family history of serious mental disorders such as schizophrenia, psychosis, depression, or bipolar disorder, are pregnant, are planning to get pregnant, or are breast-feeding, are a man who wishes to start a family, have a history of alcohol or drug abuse or substance dependence. The percentage of children aged 11, 13 and 15 who have used cannabis in the past 12 months was highest in Canada reported UNICEF in 2013. Only in Norway had the rate of cannabis use by young people fallen below 5%. Six countries recorded cannabis use rates of 20% or more within the youth sector. They were Canada, the Czech Republic, France, Spain, Switzerland and the United States. Legalization is not a risk worth taking.

Healthcare officials representing three hospitals in Pueblo, Colorado, issued a statement on April 27 in support of a ballot measure that would end Marijuana commercialization in the city and county of Pueblo. “We continue to see first-hand the increased patient harm caused by retail marijuana, and we want the Pueblo community to understand that the commercialization of marijuana is a significant public health and safety issue,” said Mike Baxter, president and CEO of Parkview Medical Center. Among their concerns - a 51 percent increase in number of children under 18 being treated in Parkview Medical Center emergency rooms. Furthermore, of newborn babies at St. Mary-Corwin Hospital, drug tested due to suspected prenatal exposure, nearly half tested positive for marijuana. Having read the above, how can Canadian legislators possibly believe that legalising marijuana would, in any way, be advantageous for their country or British Columbia? We can move to change our penalties for simple possession, spend on education and take the country in the right direction or we can risk the health of millions.



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November 1, 2017

**BY EMAIL ONLY** (to [Cannabis.Secretariat@gov.bc.ca](mailto:Cannabis.Secretariat@gov.bc.ca) and [PSSG.Minister@gov.bc.ca](mailto:PSSG.Minister@gov.bc.ca))

Attn: Cannabis Legalization and Regulation Secretariat  
Ministry of Public Safety and Solicitor General  
PO Box 9285  
Stn Prov Govt  
Victoria, BC  
V8W 9J7

Dear Minister of Public Safety and Solicitor General Mike Farnworth:

**RE: Non-Medical Cannabis Legalization and Regulation**

On October 19, 2017, the Squamish-Lillooet Regional District (SLRD) received, via our colleagues at another Regional District, a copy of your letter dated September 21, 2011 (the "September 21<sup>st</sup> Letter"). In the September 21<sup>st</sup> Letter, you asked for local government input regarding the legalization and regulation of non-medical cannabis in British Columbia by a deadline date of November 1, 2017.

**The SLRD requests an extension of the November 1, 2017 deadline date to December 1, 2017.** The reason for this request is due to the SLRD not having received the September 21<sup>st</sup> Letter until October 19, 2017 which meant that the SLRD Board did not have a chance to consider it until its October 25 and 26, 2017 Board meeting. The extension would allow the SLRD to undertake a more thorough analysis of the impacts of legalization and regulation of non-medical cannabis in its four electoral areas (Electoral Areas A, B, C and D).

However, in case the extension is not granted, the SLRD wishes to provide you with the following summary/overview of the SLRD's main concerns regarding the impacts of legalization and regulation of non-medical cannabis in the SLRD's four electoral areas:

1. Local governments to have the legislative authority to establish zoning, cultivation and retail regulations that affects the "where, when and how" of non-medical cannabis cultivation, sales and distribution;
2. Local governments should be entitled to share in taxation revenues received by federal/provincial governments from non-medical cannabis (i.e. taxation revenues should be allocated in the following ratios: 1/3 federal government; 1/3 provincial government; 1/3 local government) so as to help address the increased costs that local governments will incur, including bylaw enforcement, increased policing costs, other societal impacts, etc.;

3. The provincial regulatory framework should recognize that the impacts on regional district electoral areas will be different from the impacts on municipalities. These different impacts should be identified and adequately accommodated within the regulatory framework. In this sense, the province should not take a “one-size-fits-all” approach of the impacts of legalization and regulation of non-medical cannabis in regional district municipalities and in electoral areas. For example:
  - a. electoral areas have lower population levels than municipalities and are more diverse in terms of geography and economics; and
  - b. the SLRD and other regional districts do not have the legislative authority to issue business licenses. Therefore, the regulatory framework should recognize that this regulatory tool is not available to all regional districts.

The SLRD appreciates the opportunity to be part of this process and looks forward to hearing whether the request for an extension to December 1, 2017 has been granted.

Yours truly,



Jack Crompton, Board Chair  
Squamish-Lillooet Regional District

cc. *(by email only)*: SLRD Board  
Lynda Flynn, SLRD Chief Administrative Officer



## BC Cannabis Regulation Engagement Submission

I am making this submission on behalf of Starbuds Medical Access Centers as their media spokesperson, but my motivation also comes from being a patient advocate for many years. Based on my experience, I believe that the dispensary distribution model is British Columbia's best option in achieving the goals of keeping cannabis out of the hands of youth and eliminating the black market.

### Minimum Age

While legislated minimum ages cannot, in themselves, guarantee the prevention of all underage use of cannabis, a uniform, already accepted benchmark age of 19 years holds the most promise toward achieving that goal. In as much as this is the chronological age where adulthood is legally acknowledged, it follows that legal cannabis use must be allowed to all British Columbian adults.

### Personal Possession Limits - Adults

Recognizing that the adult limit of 30 grams is the maximum allowed by the proposed federal legislation, I believe that this restriction is unrealistic and unenforceable. Further to that, any additional provincial limits will only result in continued non-compliance, thus defeating the potential benefits of this potential arrangement. In an effort to encourage an enforcement policy that works, along with decreasing judicial costs and the potential of criminalizing otherwise law abiding citizens, I encourage the BC government to adopt the 30 gram limit at this time.

### Personal Possession Limits - Youths

On the point of possession limits for our youth, I believe that the Federal Task Force recommendation holds the greatest chance of preventing yet another generation from bearing the burden of criminalization. Any provincial variance that doesn't share this laudable goal would only serve to defeat the purposes for which we, as a country, are contemplating changes in how we deal with Canadian cannabis use.

### Public Consumption

While this discussion is limited to recreational cannabis use, there are elements and areas that are framed by the court decisions regarding the Charter rights of Canadian medical cannabis patients. It is reasonable to extend smoking prohibition to align with tobacco use, but "vaping" does not share the same secondhand health concerns. Additionally, consideration needs to be given to the fact that there is general acceptance for insulin injection in both public and private operations. The rights of Canadian medicinal cannabis patients are the same as any other Canadian patient. The discussion paper acknowledges that vaping does not carry the same odor problems as tobacco either. Rather than using the courts to affirm patient rights, the BC government might want to consider vaping as an opportunity to help bridge this issue.

Attempts to prohibit consumption of any particular method does nothing in the prevention of “normalizing” cannabis use. If total prohibition didn't prevent it, why would anyone assume that partial prohibition will? If recreational cannabis use is treated in the same manner as alcohol and tobacco, I believe that will achieve the necessary public buy-in for a successful transition into legalization. The discussion paper adequately considers the matter of public consumption of edibles and topicals.

### Drug-Impaired Driving

As the discussion paper states, there are already a number of enforcement options available in dealing with impaired drivers. However, the focus on determining cannabis use is misplaced. The determination that must be met is simply impairment. In instances of impaired driving, there's often mixed use of intoxicants. Therefore, how would it accurately be determined which caused the greatest impairment? Isn't it more important to recognize if impairment is likely? The presence of THC in the bloodstream is not, necessarily, an indication of impairment. This is why this issue will likely be determined through court decisions. If BC wishes to avoid some of the financial pitfalls associated with legal battles, a genuine investment should be made in public education. Targeted messaging would be far more effective than punitive threat, not to mention having the additional benefit of possible prevention of impaired driving.

### Personal Cultivation

Personal home cultivation quite possibly represents the single best avenue towards the ending of the black market sale of cannabis. Given that the public can legally make wine and beer or grow significant quantities of personal tobacco, the federal proposal of limits on plant size and household limits of only four plants are unrealistic at best. In most instances, this limitation is unenforceable without greatly increasing the public expenditure on policing, an expense that Canadians are expecting to decrease with legalization.

Are British Columbians required to notify authorities when they brew their own beer or make wine? No. Therefore, why should the home cultivation of a small number of personal cannabis plants require provincial or municipal notification? The court decisions that have allowed home cultivation for medical use have already heard the concerns of access and safety. As was noted in those decisions, the issue of safety (fire hazard, mould, pesticides, and theft) is not significantly impacted due to home cultivation. While the proposed federal four plant limit is still too low, any further restrictions at the provincial or municipal levels will only discourage efforts in subverting the current black market.

### Distribution Model

British Columbia has been fortunate, in fact, in that with the proliferation of medical cannabis dispensaries, we have experienced some of the benefits of allowing them into our communities. Responsible dispensaries - such as Starbuds Medical Access Centers - provide safe, lab tested products in a setting that customers find welcoming and professional. We understand and support the need for provincial and municipal regulations that recognize local sensitivities and zoning requirements.

Under self-regulation, our business practices provide discreet customer access to a wide range of safe products, both psychoactive and non-psychoactive. In poll after poll, cannabis users have indicated their strong support for local dispensary access where they can interact with knowledgeable, friendly staff. As a medical cannabis patient and advocate I support any increase to safe, legal access for British Columbians. However, the implementation of a governmental store distribution system would require unnecessary provincial startup costs for buildings and personnel training.

Of additional practical concern is the proposed legal supply system. It's already anticipated that the legal, Licensed Producers will be unable to meet the consumer demand for recreational cannabis, owing to the high costs and onerous regulatory requirements of becoming a Licensed Producer. British Columbian dispensaries, out of necessity, have developed their own sources - through the Licensed Grower system - that would adequately supply a legal market, in conjunction with the legal federal mail order system. Such an integrated system holds the distinct advantage of, more fairly, sharing the economic and employment benefits anticipated with legalization. This model incorporates the retail method supported by Starbuds Medical Access Centers.

### Conclusion

The potential societal and economic benefits of recreational cannabis legalization are enough to allow for a safe, reliable system that can support both corporate and craft producers. It can easily support a combined mail order and storefront distribution model. On behalf of Starbuds Medical Access Centers, I encourage the British Columbia government to adopt a system that best supports the citizens of this province. A flourishing system already exists. We need only to incorporate it upon legalization.

Sincerely,

Mark Conlin



# Superior public health and safety outcomes can be achieved by modern independent ecommerce relative to a cost-intensive and superfluous government distribution intermediary.

## BACKGROUND

In July of 2018, cannabis will be legal for sale to adults across Canada. Provinces are responsible for the design of supply chains that suit their constituents.

In a recent Oracle poll 65% of respondents suggested that they prefer accessing cannabis from retail storefronts. This will require either the licensing of private retailers, leveraging of an existing supply chain for age restricted products such as liquor store distribution, or a combination of both. For the remaining 35% of respondents, direct mail is the preferred purchase path. They would like to access legal cannabis products from their computer, place orders through an ecommerce platform, and have regulated cannabis delivered to their homes.

Facilitating both of these purchase pathways is a more holistic approach to attracting users from black market purchase pathways such as corner dealers or unregulated storefronts.

The licensing of retail storefronts will logically require the development of a licensing body. This body would do well to design and implement an application process assessing

merit in categories such as absence of violent criminal history, absence of financial criminal history, absence of gang associations, security competency, funding, supply agreements, location, and quality of the operator.

The deployment of this licensing body will likely take substantial government time and resources. A parallel ecommerce system with robust age verification, proven supply chain transparency, and demonstrable public health and safety outcomes would be comparably quick and easy to implement. Doing so would help the transition from the black market to the legal market.

Retail storefronts will take time. Establishing a licensing board, deploying licensing standards, application preparation, application processing, approvals, and initiating sales could represent an 18 month process even after BC regulations are established. In that time there will be confusion and contention, with consultations and politicization of issues. This process is worth getting right, and worth taking the time to get right.

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## TRANSPARENCY, TRACEABILITY, AND THE ACMPR

A mail order system already exists in this nation. The ACMPR has an excellent track record of traceability, supply chain transparency, identity (and therefore age) verification, recall deployment, and robustness. Patients in rural towns across Canada enjoy access to quality assured cannabis today, even if their municipality opposes facilitation of retail storefronts. This reduces the visibility of cannabis advertising by providing an alternative to the visible storefronts currently supplying British Columbian demand.

Licensed Producers in the ACMPR are required to build distribution mechanisms on their licensed premises to fulfil mail orders with partners like Canada Post and Purolator. Because these shipping facilities are adjoined to LP premises, they meet the exacting Security and Quality Assurance obligations stipulated by Health Canada. This allows LPs to control for risk associated with diversion or contamination in the supply chain with unprecedented robustness. The reporting standards are granular and specialized, with reports demonstrating compliance available for audit by the federal regulator at 72 hours' notice.

No incidence of diversion of ACMPR cannabis to the black market has ever been reported. Cannabis moving from the black market to legal channels has never been reported. Identity and age verification have a 99.9% success rate. The vast majority of deliveries are on time within 2 days of placing orders. The ecommerce system designed and maintained by Licensed Producers is consistent, robust, and proven to be effective. By contrast, any intermediary ecommerce distribution mechanism, requiring substantial upfront investment and development, is both unproven and superfluous.

## POSITION

It is the position of Tantalus Labs that the mail order component of the British Columbian adult use cannabis supply chain is essential in eroding the black market. Furthermore, we believe that the inclusion of a central, government-operated ecommerce intermediary distribution platform provides no added value to the public health and safety outcomes targeted by bill C-45.

Such an intermediary would not enhance supply chain transparency, not reduce diversion of product to and from the black market, and not enhance auditability and reporting outcomes that are proven and consistent in the ACMPR today. Indeed, the increased complexity of integrating a multi-stage, centrally operated ecommerce system would allow more room for errors in reporting and auditing. Finally, the inclusion of such an intermediary would hurt small cannabis producers' ability to thrive in a legal marketplace, reduce job creation, and inhibit entrepreneurial participation.

## OTHER PROVINCES' APPROACH

We are confident that your offices have been studying approaches from other provincial governments, and thus we won't take too much time recapping them. What we can observe as a generality is a spectrum of government control. More monopolistic approaches come from less planning and shorter policy development timelines such as in the case of Ontario. Alberta set out a draft framework then gave constituents time to respond, favoring a mix of government and private retail. It is likely that both of these jurisdictions will implement ecommerce at some level, although Alberta's ecommerce portal will not be deployed on day one. *[Continued next page]*

*[continued from page 2]* Ontario is implementing a government-operated ecommerce platform that will likely leverage the substantial liquor distribution infrastructure that exists today. They have recently invested \$20m in a state-owned ecommerce distribution platform for alcohol involving a web portal, distribution warehouses, centralized logistics, shipping, and end user couriers. Having already invested heavily in this system may well have influenced their decision to opt for a similar model for cannabis. BC has an enviable opportunity to avoid such capital expenditure costs while creating a more effective system by taking a different approach. Copying the Ontario model in BC would add little value to the distribution mechanisms built right into ACMPR firms today, with vaults, shipping lines, and auditable software reporting already in place.

## WHAT'S RIGHT FOR BC

The illegal market in cannabis is well established in BC, both through street dealers and retail dispensaries, supplied by a network of unregulated grow operations. While it will take time for legal cannabis to eat into the market share of the illegal trade, the faster and more effectively the legal alternative can be established, the quicker the public health and safety benefits of a well regulated market will be felt.

The independent ecommerce model, as demonstrated in the ACMPR, can be relied on to consistently deliver to the intended, age and identity verified, recipient without leakage from or to the illegal market. Inclusion of independent ecommerce from day one of the legal market in BC will allow every adult citizen to instantly and reliably

access legal cannabis, instilling consumer confidence in the new market while it is still nascent, and allowing other forms of distribution to be phased in at a controlled rate by the provincial regulators.

British Columbia is set to be a hub for both the cannabis industry and its ancillaries. The province already boasts a wealth of knowledge and world leading talent in agricultural best practice and innovation. The entrepreneurial and innovative atmosphere in the province risks being stifled if the legal market is slow to come to fruition. If our cannabis market is restricted by centrally controlled distribution systems, it will likely favor the simplicity of fewer products and large producers over the complexity of a vibrant and varied free market. An independent ecommerce model would present fewer barriers to entry for small companies, and accommodate a greater variety of options at all stages of the production and supply chain, to better suit consumer needs.

The ecommerce model allows for a direct relationship between craft producers and end users, a feature that small producers are reliant on to provide a competitive edge against major Licensed Producers and the black market alike. A direct relationship allows producers to curate the end user purchasing experience from start to finish, and direct their products to specific demographics rather than attempting to appeal to the lowest common denominator. Where strong relationships may be built in person at high street dispensaries, or even through street dealers, it is all the more pertinent that a sufficient online alternative is created in the legal market. As such, facilitating small producers and allowing them to foster personal relationships with their customer base will benefit producers and encourage users to choose the legal market.

# THE CASE FOR SMALL GROWERS

The Cannabis Control Board of Ontario (CCBO) plans to operate a centralized ecommerce platform that will take orders online from users and ship from distribution centers. The specifics of the user experience, logistics, and fulfillment of this platform are still unclear. The CCBO has not implied the use of proven ecommerce platforms from ACMPR LPs. This threatens the competitiveness of smaller producers and new entrants. Distribution agreements from suppliers and distributors to the CCBO will likely hinge on two core factors: volume (ergo consistency of supply), and price. Both of these mechanisms favor larger producers.

With 60 initial storefronts, and as many as 150 by 2020, consistent supply will necessitate thousands of kilograms of cannabis products to be shipped from LP partners to the CCBO distributor every month. At production footprints as small as 1000 square feet today, craft scale LPs will likely struggle to meet these quotas in one province alone, let alone nationwide.

Price competition is another disadvantage for small producers. The core driver of price efficiency in the ACMPR is scale. Economies of scale create exceptional downward pressure on production costs in cannabis cultivation, as they do in industrial agriculture at large. Capital expenditures and staffing requirements are front loaded for LPs, and a production footprint of 100,000 square feet does not increase cost of production 10x relative to a 10,000 square foot producer. A large greenhouse producer may enjoy a healthy margin selling at \$5/g, whereas that may be unsustainable for a smaller producer.

The solution is simple, effective, and already to hand. If British Columbia adapts existing ACMPR ecommerce practices of age and identity verification for a recreational supply chain, small firms can continue to foster direct relationships with their end users. Small firms already differentiate on brand and quality as opposed to volume and price. If the desire is to generate revenue from a centralized distributor, and ultimately the Government of British Columbia, this can and should be levied in the form of cannabis sales tax as opposed to retail resale margin.

Even the smaller Licensed Producers have an excellent track record of identity verification to date, and there is no security advantage in forcing them to sell to an intermediary. Even in an environment where independent retail is restricted, the existence of independent ecommerce is essential to enable a diverse and decentralized mix of cannabis cultivation small businesses, which is a critical priority of the ACMPR since its inception.

# COST OF CENTRALIZED DISTRIBUTION

The 2015-16 annual report from the Liquor Control Board of Ontario (LCBO) gives a sense of the cost of implementing a centralized ecommerce platform. During this period, LCBO implemented its system for online alcohol retail, the costs of which are listed as part of IT expenses, totaling over \$19m. LCBO annual IT costs from 2012-15 have been consistent at \$8-9m, from which it can be estimated that the cost of implementing centralized ecommerce alone sits in the region of \$10-11m. While the costs of implementing a second centralized ecommerce platform would be reduced, the scale of the costs could easily reach \$100mil+.

Any clearer idea of the costs of a centralized distribution platform is difficult to gain. The Alberta Government has recently revisited its intention to instate a centralized platform, targeting \$168mil as the up front public investment required to deploy such a system. It is our belief that at least \$100mil would need to be deployed over multiple years to implement a distribution intermediary that does not enhance public health and safety outcomes, economic benefits, or competitiveness of BC's firms relative to other provinces.

British Columbia is a province that celebrates the democratization of technology and entrepreneurship. Our innovation leaders have become global examples of government control harmonizing with facilitation. Inhibiting producer's ability to speak directly to their end user without a demonstrable public health and safety outcome would be irresponsible and anticompetitive. It may also provide a disincentive for Licensed Producers to sell through a legal retail system at all.

The ACMPR will continue to exist for at least 5 years into legalization. Firms such as Tantalus Labs have a long list of patients wishing to buy directly from us through this medical system today. Without the ability to sell directly to customers through ecommerce, we are disincentivized to sell to a government distribution intermediary when we can deliver direct to patients today. Our production will be stretched to deal with the medical market alone, so the legal supply chain needs to offer LPs self interested motives to participate and help it grow.



# Stakeholder Submission

internetdispensary.com

Travis Lane - CEO

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With July 2018 quickly approaching, it is crucial for the economy of British Columbia that a comprehensive cannabis distribution network be established in time for legalization. This is of particular import here in BC, where cannabis money plays a major role in our provincial economy.

In this document, The Internet Dispensary will make recommendations for how the province can avoid issues with product delivery, reduce the black market, and create a thriving, safe e-commerce mail-order system.

When it comes to consumer behavior, the majority of cannabis consumers prefer to buy in-person from storefront dispensaries. This being said, our province is spread out geographically, so online retail will serve as the primary access point for many rural areas.

In both storefront and online environments, we believe it is crucial to create a modern distribution network that takes advantage of current technology, avoiding archaic supply chain barriers that may increase the costs of bringing product to market.

Founded in 2016, The Internet Dispensary has been focused on being a pro-active good actor in the illicit cannabis market. To this end, we have pursued municipal licensing, and secured a limited, controlled supply chain of exclusively MMAR/ACMPR personal producers and transparent value-added providers. We are far from the largest online platform, revenue-wise, though we believe we are well positioned to transition into the legal, regulated environment.

It is important, prior to getting into our specific recommendations, that we touch on this desire to operate legally. For years, cannabis businesspeople have operated in BC. These businesses are not fully legal operations, but many of the operators themselves wish this were not the case.

Acting in civil disobedience, in an environment of near non-enforcement, many of these businesses have been pro-actively self-regulating, in an attempt to create standards for this unregulated industry.

The Internet Dispensary urges the BC government not to paint all black market cannabis businesses with the same brush. While the entire industry in BC has been illegal for many years, it is our contention that good and bad actors have emerged.

The good actors have always had a desire to see cannabis legalized. These entrepreneurs have engaged with regulators and elected officials. These businesses have remitted their GST through numbered

companies. These businesses carry insurance. These businesses offer employee benefits, and pay competitive, living wages.

The Internet Dispensary's overarching recommendation is that BC's cannabis distribution model must include these good illicit actors if this province is going to meet the desired outcomes in a timely fashion.

We also suggest that it would be unjust for the government to punish citizens for fighting to change a senselessly punitive law, particularly after this law finally gets changed.

The bad actors, on the other hand, are indifferent when it comes to legalization, opposed to any regulation at all, or opportunistic profiteers who know they will not be allowed to operate legally.

We acknowledge that it is crucial for the government's objectives to eliminate or reform the bad actors in the illicit market, and that any truly criminal elements be discovered and eliminated. We fully support regulation that includes background checks, reporting, and safety protocols.

While we recommend regulations that are inclusive for previously illicit operators, we also recommend that they face the same regulatory hurdles as all applicants. An open, low-barrier licensing system that values transparency, responsibility, tracking, quality assurance, and compliance will allow the best of the industry to thrive, while culling those that do not want to participate in a regulated environment.

When compared to our recommended licensing scheme, a government monopoly will cost a lot of public money, and create distribution inefficiencies that may hamper its ability to compete with a strong black market that already exists.

A restrictive, corporate-first approach may also struggle, as current consumer trends in BC are headed towards a desire for more local products. Small businesses are also the backbone of our local economies, as they spend their money locally, in the communities where they work and live.

As such, we suggest that the provincial government should encourage and prioritize the distribution of BC-produced cannabis inside the province. This would keep the revenues and production jobs in BC, which will help lessen the impact of lost jobs in the illicit cannabis space.

It is important to realize that BC's illicit cannabis economy is already larger than those of fisheries, forestry, or mining, and likely rivals BC's entire agricultural industry. Losing this illicit job space without assuring the licit market is creating in-province jobs would be particularly devastating for small communities across the province.

BC already has a thriving, sophisticated, local cannabis industry, and we should not let that go to waste.



## Online Mail-Order Distribution

In urban centers, brick and mortar storefronts are currently the preferred shopping method, with online shopping supplementing the in-person retail experience. Outside of these urban centers, however, online mail-order services will be the primary retail cannabis choice.

As such, it is online distribution that will have significant impact on rural areas, making it a key component in any distribution plan.

We believe that the best way to compete against the thriving online black market is to license private retailers, and to allow the good actors from the black market to join the licensing process. Competition would keep prices reasonably low, the expertise gap between the licit and illicit market would decline as a result of black market amalgamation, and BC would maintain a valuable provincial job market.

***The Internet Dispensary recommends that the BC government partner with good-acting private distributors to create a refined and robust online distribution network.*** These established entities already have the capacity and logistical expertise to supply the entire province efficiently. Many of these brands currently cater to the entire country. This decision would remove the burden of creating a government-operated system, which would require massive capital expenditure only to create an archaic distribution inefficiency. Tracking can be accomplished through seed-to-sale technology, which should be used throughout the retail system.

***The Internet Dispensary recommends that producers be allowed to acquire licensing for direct sales to the end user.*** Both individual producers and smaller grower co-ops should be allowed to establish direct retail. Once again, seed-to-sale technology can handle government reporting. It is unnecessary for the government to physically warehouse cannabis, which would require a large public investment and create a myriad of logistical issues.

***The Internet Dispensary recommends that age verification be accomplished through a combination of online age verification technology, and identity verification at delivery.*** E-commerce age verification is already well-established technology that is used in a wide variety of industries. Combining this at-purchase technology with in-person verification on delivery will prevent youth from ordering and acquiring mail-order cannabis.

***The Internet Dispensary recommends that brick and mortar dispensaries be allowed to participate in the online market.*** Increased competition assures higher quality and variety for the end user, and keeps prices down. In our opinion, there is no logical reason to prevent already compliant businesses from participating in the online marketplace.

***The Internet Dispensary recommends that branding of mail-order services be allowed.*** Individual branding helps the consumer identify preferred services, and avoid those that have had recalls, failed inspections, or been unreliable in the past. It also allows the community to share experiences, adding an extra layer of scrutiny for these distributors.

## Supply Chain, Small-Scale Cultivation, and Product Shortages

Consistency of supply will be the largest difficulty faced by any legal distribution model. This challenge will express itself with obvious shortages at outset, but there are also many long-term logistical issues that must be addressed.

It is our belief that BC will need to come up with a made-in-BC solution for a secure supply chain to evolve rapidly, and that there are some creative ways to deal with supply issues.

***The Internet Dispensary recommends that tracking be done using seed-to-sale technology, and that cannabis not be centrally warehoused.*** Cannabis is a perishable good, and tracking technology is sophisticated enough to meet government tracking needs. These two factors make it illogical to add another physical step in the supply chain, to no observable benefit and great public expense.

***The Internet Dispensary recommends that BC consider issuing BC-only small-scale production licenses.*** BC's small-scale illicit cultivation industry already plays a significant part in our provincial economy. These cultivators are world-renowned for high-quality cannabis, and unique varieties. Those that can show compliance should be allowed into the legal marketplace without all of the onerous barriers to entry that exist for larger-scale producers at the federal level, as their production numbers and physical footprint are miniscule in comparison.

It appears inevitable that all provinces will face product shortages when non-medical legalization arrives. Producers cannot currently meet medical demand, and there is not enough time to expand capacity for this newly regulated marketplace. BC has an existing production infrastructure, and we should use it.

***The Internet Dispensary recommends that BC consider allowing co-operatives made up of numerous small growers to distribute directly to retailers and end users.*** Another approach to incorporating the small-scale cannabis cultivation economy is to allow these cultivators to form co-operatives, where packaging needs and analytical burdens can be addressed as a group. These co-ops should be allowed to sell their product into the retail environment, or distribute directly to the end user via mail-order.

***The Internet Dispensary recommends that BC consider instituting a program allowing excess production from MMAR/ACMPR personal grows to be sold into the provincial distribution system.*** Among personal medical growers, some produce more cannabis than needed for their own medicinal use. We have experience in this regard, as these cultivators supply The Internet Dispensary. We recommend that personal growers be given a legal route to sell their excess into the system. These longtime experts produce some of the best product available, and it would be wasteful to disregard them as a product source.

***The Internet Dispensary recommends that BC prioritize bringing BC-produced cannabis to market.*** BC's provincial economy is already reliant on black market cannabis jobs. It will be important to find mechanisms to preserve these jobs in some way, or we will likely see negative outcomes for the province's financial health. By incorporating the good actors from the black market, and focusing on sourcing BC-produced cannabis, BC can maintain a healthy regional cannabis economy.

## General Recommendations

***The Internet Dispensary recommends that the age be set at 18 or 19.*** In the first case, in order to harmonize with Alberta's expected age restrictions. In the second case, in order to harmonize with current BC policies for alcohol and tobacco.

***The Internet Dispensary recommends that home cultivation be allowed.*** Again, this mirrors alcohol and tobacco, both of which can be produced at home.

***The Internet Dispensary recommends there be no registry created for home cultivation.*** This would be unwieldy and costly, and we don't see any benefit.

***The Internet Dispensary recommends that there be no decrease in carry limits.*** The carry limits are already restrictive and arbitrary, and decreasing them would be even more so.

***The Internet Dispensary recommends that more research be done on the effects of cannabis prior to instituting an expensive, potentially ineffective screening process for impaired driving.*** In the meantime, impairment should be judged with tests that evaluate the motor skill functions of the driver in question.

***The Internet Dispensary recommends that consumption be allowed in all locations where tobacco consumption is allowed, and that cannabis consumption lounges be allowed.*** If safe spaces are not created for consumption, people will consume on the street. We would like to see cannabis products sold at these locations, as well, similar to how pubs operate.

## Conclusion

Cannabis regulation is a very complex undertaking, and it is made more difficult for the provinces without some control of supply.

On behalf of everyone at The Internet Dispensary, I would like to thank the secretariat for taking on this task. The public outreach shows that this government is fully engaged in finding a solution that works for all British Columbians, particularly when compared with other provinces.

The fact of the matter is that our cannabis economy, along with the cultural perspective of British Columbian consumers, are unique to this province. We have more in common with Oregon than we do with Ontario, when it comes to cannabis.

So, as a final recommendation, I urge the secretariat to look south along the west coast, and to find inspiration in California and Oregon. These two states are working very hard to find a balanced and fair solution to the regulatory complexities of this issue.

Thank you,

Travis Lane

# **B.C. Cannabis Regulation Engagement Stakeholder Submission: The Kootenay's Medicine Tree Medical Cannabis Dispensary October 28 2017**

B.C. has an opportunity and a responsibility to lead Canada in the rational imposition of regulations to govern the sale of Cannabis come July 1, 2018.

With recent estimates of the value of B.C.'s black/grey market cannabis industry production as high as \$7 billion per year, we must have a swift and successful transition to regulated sales that supports as many current black/grey market industry participants coming into regulation and taxation so as to save small towns and cities throughout rural B.C. that owe their very existence in many cases, to the production and sale of cannabis.

## **Retail Sales**

Our B.C. incorporated company, The Kootenay's Medicine Tree, has been providing cannabis and products made from locally, safely grown cannabis in the West Kootenay region of B.C. to both local residents through our store front operations and to residents of every Canadian province and territory since 2014. Our company is a proven good actor in our national industry and like scores of like minded dispensaries and compassion clubs throughout B.C. we are happy and grateful to play a role in sustaining rural and urban economies throughout B.C. We seek regulation and licensing (for those municipalities that have not yet offered cannabis business licenses) for currently operating dispensaries as we collectively have time-tested infrastructure to allow the coming licensed distribution and sales of cannabis to happen rapidly and in a cost effective manner rather than starting a government-based system of distribution and sales of cannabis as Ontario and New Brunswick have chosen. Re-inventing the wheel and ignoring already operational cannabis sales infrastructure will ultimately cost tax payers dearly.

Cannabis dispensaries are a perfect answer to the question of where/how cannabis should be sold, but not just because of expertise with cannabis and the multiplicity of cannabis products as the following information will show.

## **Online Sales**

Online sales of cannabis by dispensaries has been perfected over the last 20 years and allows for access to cannabis for residents in communities that might, at first, choose to prohibit cannabis dispensaries/stores. Allowing dispensaries to engage in online sales will help address any potential cannabis supply shortfalls that may affect some communities more than others once regulated sales of cannabis come into being.

Further, there are economic benefits to B.C.'s economy by allowing e-commerce and delivery options as part of the retail license, which will see more of B.C.'s residents ordering their cannabis from dispensaries in our province rather than sending their orders and money out of province to Health Canada's Commercial Licensed Producers of cannabis.

### **Minimum Age Limit To Purchase**

Since cannabis is provably safer than alcohol we recommend making the minimum age to purchase non-medical cannabis 19 to match that of alcohol. To raise the age limit higher than 19 encourages the use of more dangerous alcohol by young adult British Columbians and means they will be forced to purchase cannabis from the black market. Additionally, underage youth should not be criminalized for using cannabis or for sharing cannabis with a friend, non-criminal sanctions must not be overly punitive towards youth and be more focused on prevention and education. There must also be a clear exemption to the age restrictions in the Cannabis Act when it comes to minors using medical cannabis and related products with parental and physician consent and support.

### **Personal Cultivation**

Limits on personal cultivation by household are arbitrary and hard to enforce. A better solution is to allow people to grow cannabis for their own personal use or use with friends and anyone looking to sell the cannabis they grow must obtain a commercial cannabis production license. Land owners are very capable of prohibiting the commercial production of cannabis in their land without the ever-present threat of criminal sanction.

### **Personal Possession Limits**

There should be no limit to possession at home as any limit would be realistically hard to enforce, just a requirement to get a license to sell if anything more than production for personal or use of friends is the goal.

In public, a 30g carry limit is too small and could see a large number of adult Canadians subject to legal penalties is caught with 31g or more. Many people who prefer cannabis like to purchase more than one type of cannabis strain at one time and can easily exceed 30g in one purchase. A better carry limit would be 8 ounces or 227g. Legislation will not curb the appetite of recreational cannabis users. Also, consider the obvious public health hypocrisy of implementing possession limits for cannabis when no such possession limits are enforced for alcohol or tobacco, 2 extremely harmful and dangerous drugs.

### **Public Consumption**

There must be indoor businesses (and outdoor patios/areas properly situated) with proper air filtration systems to allow the legal consumption of cannabis products in sufficient number in every community to prevent the consumption of cannabis in areas where it may not be

appropriate (sidewalks, near schools and daycares). Additionally, cannabis smoking should be permitted in every area where tobacco smoking is allowed and even in some places where tobacco smoking is not allowed (medical necessity of consuming cannabis overrides anti-smoking concerns). Cannabis is less harmful than tobacco, even when smoked, and the use of cannabis through smoking must not be more restricted than the use of tobacco.

### **Drug Impaired Driving**

Current science shows that there is no body fluid level of THC or its metabolites that equate to an impaired ability to operate a motor vehicle. Further, daily cannabis users, whether medical or recreational do not generally show an impaired ability to operate a motor vehicle. Since the Cannabis Act and the related act regarding cannabis impaired driving, are creating new criminal offences based around blood levels of THC, they will be necessarily be declared unconstitutional within the first few months after the law passes if it is not altered.

The best course of action is not to be overly punitive in a well intentioned attempt to improve public safety by giving police more roadside powers to suspend drivers licenses and seize vehicles. Be mindful that current Field Sobriety Tests in relation to cannabis are more apt to **detect the use of cannabis, not impairment by cannabis**. Sadly, this means that a large number of medical cannabis patients and daily recreational cannabis users who do not drive impaired by cannabis will be caught up in this new law and run the risk of losing their ability to drive a vehicle simply due to showing signs of recent use but not impairment.

It is currently against the law to drive while impaired by cannabis, and based on signs and symptoms of impairment convictions can be secured in criminal courts. Until science is better able to determine what constitutes cannabis impairment, we must not allow the abuse of citizen's constitutional rights just to appease groups like Mothers Against Drunk Driving.

### **Co-locating Cannabis with alcohol**

Cannabis should not be co-located with alcohol or tobacco. A recent harm reduction study (Reiman 2009) found that 40% of study participants who use cannabis as a substitute for alcohol. It is clear in the experience of our management and staff in our dispensary that many of our clients use cannabis to help end addiction to alcohol and tobacco. Co-location with alcohol would expose people to the very addictive substances they are trying to avoid. Regulating cannabis dispensaries can solve this problem. Additionally, co-location of cannabis with alcohol/tobacco sends the wrong message to youth: The promotion of poly-drug use/abuse.

### **Co-locating Cannabis with pharmaceutical drugs**

Cannabis must not be co-located with pharmaceutical drugs in pharmacies. 66% of study participants (Reiman 2009) reported using cannabis in place of pharmaceutical drugs, we must

not compromise the positive harm reduction effects of cannabis by allowing it to be sold in pharmacies.

### **Production & Distribution of Cannabis and Dispensary Supply Chains**

The most successful U.S. states that have regulated and taxed the sale of cannabis have done so by transitioning currently operating dispensaries and their supply chains into regulation. Colorado and Oregon have proven that regulating cannabis is best done by crafting regulations that are inclusive of cannabis small and medium businesses. California is currently achieving regulation in the same, pro-inclusive manner. Lori Ajax, Chief of California's Bureau of Cannabis has stated recently the importance of getting "as many people as possible to come into the regulated market, and particularly those who are complying with their local jurisdiction."

B.C.'s dispensaries are ready to meet the requirements of provincial regulations and want to play a major role in helping the provincial government of B.C. transition to regulated sales of cannabis next year. With the Canadian Association of Medical Cannabis Dispensaries (CAMCD) overseeing best practices regarding dispensation and sale of medical cannabis (I.E. enforcing minimum age for purchase, security, quality control, health and safety regulations, etc.) our industry is well poised to help ensure a rapid and successful transition by July 1, 2018.

The majority of the cannabis grown in B.C. and the products made from it are from small and medium sized producers. Currently there is no clear path for the transition of B.C.'s cannabis growers and product manufacturers into regulation next year.

Although the provinces will have the responsibility for controlling distribution and sales of cannabis, Health Canada retains control over the licensing of commercial cannabis producers. The Access to Cannabis for Medical Purposes Regulations (ACMPR), as currently written, are a significant financial obstacle to the licensing of B.C.'s small and medium sized cannabis growers and product manufacturers.

In order to bring B.C.'s dispensaries supply chain into regulation **we propose the B.C. government, as part of the cannabis legalization file, negotiate a pilot project with Health Canada that would see B.C. impose it's own regulations regarding the production of cannabis and cannabis products and take over commercial licensing from Health Canada.** With successful imposition, this can lead to Health Canada confidently downloading its current responsibility for the licensing of cannabis growing and product manufacturing to the provinces and territories of Canada.

### **Conclusion**

We are grateful to finally be at this point in the evolution of Canada and B.C.'s cannabis laws/policies and accordingly I pledge the expertise and assistance of our company and our vetted cannabis growers and producers of cannabis products to the provincial government of



B.C. to help with regulation creation and imposition in any way. We have an historic chance to get the best possible regulations for British Columbia with the upcoming passage of the Cannabis Act, please stand up for cannabis small business across B.C. and craft inclusive regulations for our province that will allow participation in distribution and sales for companies of all sizes in a way that will benefit the health, safety and financial stability of all British Columbians.

Sincerely,

Jim Leslie  
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**SUBMISSION TO THE BRITISH COLUMBIA  
GOVERNMENT'S CANNABIS CONSULTATIONS**

**JULY 2017**

## **OVERVIEW**

Tilray has been a licensed producer of medical cannabis under the Access to Cannabis for Medical Purposes Regulations (ACMPR) since April 2014. Based in Nanaimo, British Columbia, Tilray was among the first organizations to be federally licensed by Health Canada to produce and distribute medical cannabis. We are proud to be industry leaders in setting the standard for safety, security, ethics and quality.

A number of elected officials and senior public servants have had the opportunity to tour Tilray's state-of-the-art, 60,000 sq. foot, \$30 million research and cultivation facility to experience firsthand the standard we set for medical cannabis production and distribution. The Tilray team is dedicated to cultivating and delivering medical cannabis safely and reliably, serving as a global leader in medical cannabis research and production. Our accomplished team includes professionals ranging from PhDs, botanists to master horticulturists who are industry leaders in medical cannabis research and related agricultural sciences.

Our experiences in Canada, Australia, the European Union, and Latin America have shown us how policy choices can impact the success of a medical cannabis program. The success of the legalization and regulation of cannabis will be measured by whether it meets the stated goals of federal, provincial, and territorial (FPT) governments to keep cannabis out of the hands of children, combat the black market, and mitigate harms to public health. At Tilray, we share those priorities. Our most important goal is ensuring cannabis patients and potential patients have safe, efficient access to the highest quality, most affordable products to treat their conditions.

A successful regulatory framework must include robust provisions for increased medical access while protecting the interests of Canadian patients. Tilray supports reasonable measures to mitigate potential health and social risks associated with recreational cannabis consumption. Tilray values an aggressive pushback against the black market. Patients and consumers should never purchase product from illegal, unregulated sources. Tilray would not recommend measures that prevent a legal, regulated system from competing with the illegal market system. Harm reduction measures implemented by the FPT governments should not impede the ability of Canadian patients to access cannabis for medical purposes.

These considerations inform our submission below.

### **Minimum Age for Legal Purchase**

Tilray supports the establishment of an age limit for purchasing and possessing recreational cannabis.

However, a significant portion of Tilray's patients consist of children and youth who derive therapeutic benefit from medical cannabis. Regardless of the approach taken by FPT governments in establishing minimum age requirements, these patients must be able to continue to access the medical cannabis they require for their treatment. This objective can be achieved by maintaining a mechanism for underage patients to demonstrate – and for

enforcement personnel to verify – legal possession of cannabis for medical purposes, similar to the mechanism currently in place under the ACMPR.

## **Advertising and Marketing Restrictions**

Tilray supports restrictions on the advertising of cannabis to children and youth. However, any company within a newly regulated marketplace must have the ability to distinguish their products from those of competitors within the regulated marketplace as well as from unregulated black market entities. Tilray's experience under the ACMPR demonstrates that patients and even healthcare practitioners are frequently unable to distinguish between legal and illegal sources of medical cannabis. Many patients find it difficult to select a licensed producer when provided with only minimal distinguishing information. Similar confusion is likely to arise under a legal recreational regime unless companies are permitted to differentiate themselves through education and responsible branding. Branding should be accompanied by measures that prevent products and companies from appealing to youth, such as a strict minimum age limit and point-of-sale access restrictions for underage individuals. Movements to codify plain-packaging must be avoided completely as they will hobble the ability of legal producers to properly compete against the illicit market.

## **Taxation and Pricing**

Tilray's experience has shown that cost represents a barrier to many patients; patients are disincentivized from entering or fully participating in the legal market when a lower-cost black market option exists. Specifically, our patient data shows that in 2015 a total of 42% respondents in a survey of Tilray patients accessed unregulated cannabis from an illicit supply. Tilray is currently pursuing zero-rating of medical cannabis through our industry association, the Canadian Medical Cannabis Council<sup>1</sup>, as well as other cost reduction initiatives, to incentivize patients to enter the legal medical market. A similar approach to taxation is required in the legal recreational context if the intent is to replace black-market supply.

While the federal Taskforce on Cannabis Legalization & Regulation endorsed treating recreational and medical cannabis under the same taxation regime, we strongly oppose such a policy as it unduly burdens medical cannabis patients and could inadvertently incentivize these patients to choose recreational cannabis. Indeed, there is a strong need to destigmatize the usage of medical cannabis to treat a variety of chronic diseases. Governments should be take steps to encourage patients to register with Health Canada, as required under ACMPR.

## **Restrictions on Cannabis Products**

Tilray's patients opt for different forms of medical cannabis (e.g. oils vs. whole/milled flower), different consumption methods (e.g. ingestion vs. vaporization vs. smoking), different strains, and different potencies (e.g. predominantly THC, predominantly CBD, or various THC:CBD

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<sup>1</sup> CMCC: <https://www.medicalcannabiscouncil.ca/>

ratios) depending on their conditions and personal preferences. Any regulation of product types and potencies should accommodate these patient needs. For instance, governments should encourage Health Canada to expand the current 30mg/mL THC cap for cannabis oils in certain circumstances. Such a move would allow for an expanded product line – such as vaporizer oils – to better serve medical cannabis patients with a variety of conditions.

## **Safe and Secure Production**

A high degree of expertise is required to produce cannabis at a quality suitable to meet patient need with speed, security and safety from production to delivery. A legalization framework should begin by drawing on this existing production model. Licensed producers have met this high regulatory threshold, and strict Good Production Practice (GPP) requirements should form the key pillar of any legal recreational model<sup>2</sup>. Tilray supports the adoption of a streamlined licensing/inspection system that emphasizes GPP, product traceability, and reasonable, proportionate security measures against diversion.

Almost all of the GPP requirements currently applicable to ACMPR licensed producers (including prohibitions on use of unapproved pesticides, testing for potency and microbial and chemical contaminants, retention sampling, recall reporting, and adherence to standard operating procedures) should be applied to producers under a legal recreational regime. Strict adherence to GPP will be a key differentiator between the legal and illegal markets, and more importantly, is critical for consumer safety.

## **Product Packaging and Labeling**

Tilray packages its products in certified child-resistant, tamper-sealed packaging that is labeled with potency data as well as warning messages (i.e. “KEEP OUT OF REACH OF CHILDREN”) and other information. Our products are then sealed to prevent the escape of odor and shipped via tracked courier in a box that is sealed and non-identifiable. We strongly support the importation of these requirements into a legal recreational regime as they are designed to ensure safety and to prevent misuse and diversion.

## **Licensing and Fees**

The ACMPR has demonstrated that an overly burdensome application, approval and inspection process, combined with a bureaucracy managing multiple files, can lead to significant delays and backlogs, stymying patients’ ability to gain access to medical cannabis. While access limitations under a recreational system do not raise the same rights issues as those under a medical system, such limitations allow the black market to continue thriving, frustrating shared policy objectives of governments under a legalized cannabis framework.

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2 Health Canada: Good Production Practices <https://www.canada.ca/en/health-canada/services/drugs-health-products/medical-use-marijuana/licensed-producers/additional-information-licensed-producers-under-access-cannabis-medical-purposes-regulations.html#a2>

## Role of Licensed Producers

Tilray recommends that licensed producers function as a bridge to supply a new legal adult market through the secure mail delivery system. Licensed producers like Tilray will be able to leverage their existing systems and shipping networks to meet demand. If the production and distribution requirements in a legalized cannabis market were to begin from scratch, supply and demand would be difficult to match – in fact, the current ACMPR system faced this very mismatch at its inception<sup>3</sup>.

## Distribution and Sales

Mail delivery should remain an option for patients and made available to recreational consumers. Providing the option of mail-order for recreational consumers as a parallel path to brick-and-mortar private retail outlets will ensure consistent supply to consumers across Canada while physical distribution systems are put in place. Further, in remote regions incapable of supporting brick-and-mortar retail outlets, mail-order will remain the only viable supply option over the long term. The abolition of a mail-order system would be catastrophic for these patients. Mail-order delivery also represents the most discreet method of distribution, and permits the easy implementation of various controls (e.g. restrictions on purchaser age and maximum quantities).

Despite the advantages of mail-order distribution, patients and consumers also value the ability to engage in face-to-face interactions with customer support staff and familiarize themselves with product formats prior to purchase. The distribution of recreational cannabis in private retail stores would increase the ability of legal producers to compete with the black market. We support efforts to distribute medical cannabis through pharmacies, as some patients would prefer direct access to a health professional while discussing dosing requirements, drug-to-drug interactions, and appropriate use.

## Public Safety

Tilray believes that new provincial laws to compliment the *Cannabis Act* are critical. These laws should target illicit conduct and be accompanied by strict, consistent enforcement. Governments must be vigilant in prosecuting those who sell to minors or unlawfully produce and distribute cannabis.

Tilray looks forward to supporting the development of guidelines and protocols to end the pernicious practice of driving under the influence. This year, Tilray is partnering with the University of Sydney to examine the effects of vaporised cannabis on driving ability. Studies like these are crucial to developing responsible policy.

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3 National Post story: <http://nationalpost.com/news/canada/theres-going-to-be-a-marijuana-shortage-new-health-canada-rules-aim-to-stamp-out-black-market-pot-grown-through-legal-production/wcm/529e8fa8-931b-4ee6-abd4-23e7c1156ebe>

Tilray appreciates the need to strictly limit and control public consumption of cannabis. Yet any framework must accommodate the medical use of cannabis in public venues and workplaces to secure the rights of medical cannabis patients to pursue effective treatment.

## **Medical Cannabis Access**

Canadians, in consultation with their physicians, should have reasonable access to legal cannabis products for medical purposes. Tilray supports public policy measures to enable that access, whether through a single-track approach to cannabis regulation with certain exemptions for medically authorized patients or separately regulated medical and recreational regimes. We do not believe that personal cultivation alone is sufficient to provide ACMPR patients with continued access to the selection of product strains and formats that meet their medical needs.

We urge consideration of factors such as public drug coverage on federal, provincial and territorial drug formularies, taxation (particularly zero-rating of medical goods), and investments in clinical research. In the last regard, Tilray is a Canadian and global leader in pursuing research that informs physicians' approaches to cannabis and increases benefits to patients<sup>4</sup>.

Tilray has engaged in research partnerships on cannabis applications for post-traumatic stress disorder, epilepsy, chronic obstructive pulmonary disease and chemotherapy-induced nausea and vomiting. A new framework should empower and encourage research into the therapeutic applications of cannabis. As physicians will remain the gatekeepers for medical authorizations under the new regime, such research is critical to improving physician acceptance and understanding of cannabis, as well as to secure access for patients.

## **SUMMARY**

Tilray's primary goal in the midst of recreational cannabis legalization is to protect and increase access to safe, high-quality medical cannabis for patients across Canada and around the world. A successful regulatory framework for cannabis must protect the interests of Canadian patients and keep this goal in mind. Tilray supports measures to mitigate potential health and social risks associated with recreational cannabis consumption and most importantly, we support an aggressive pushback against the black market to ensure patients and consumers never purchase unsafe product from illegal, unregulated sources.

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4 Tilray Research: <https://www.tilray.com/research/>



# KAMLOOPS INDIAN BAND DEVELOPMENT CORPORATION (KIBDC)



KIBDC Department  
#200 – 330 Chief Alex Thomas Way  
Kamloops, BC V2H-1H1  
Phone: (250) 828-9802  
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To: Ministry of Public Safety and Solicitor General  
From: Tk'emlups te Secwepemc (Kamloops Indian Band)  
Date: Friday October 27, 2017

## **RE: Discussion Paper Engagement response - Cannabis Legalization and Regulation in BC**

This letter is the response from Tk'emlups te Secwepemc regarding the public and stakeholder engagement on the new legislative and regulatory framework for Cannabis. Various recommendations have been provided under each of the topic areas that affect the regulatory regime for non-medical cannabis in British Columbia.

### Minimum Age:

- Recommend 19 years of age to buy, grow, and publicly possess up to 30 grams of non-medical cannabis, it's the age of majority in BC and tobacco and liquor can be purchased at this age. This would discourage use and would be in line with Provincial educational programs on tobacco and liquor cessation.
- In the rare case where cannabis is prescribed to a child under the age of majority, only in support if there is extensive medical oversight by a medical physician (not naturopath, etc.) and/or a specialist physician. Examples are epilepsy, cerebral palsy. See study in the New England Journal of Medicine for case study: [http://www.nejm.org/doi/full/10.1056/NEJMoal611618?query=featured\\_home&](http://www.nejm.org/doi/full/10.1056/NEJMoal611618?query=featured_home&)

### Personal Possession Adults:

- Recommend 30 gram limit for adults as this would be an indicator of intent to allow law enforcement to distinguish between legal possession for personal use, and illegal possession for the purpose of trafficking.

### Personal Possession Youth:

- Recommend youth under 19 will not be able to grow or buy cannabis. 5 grams is allowable for possession as it will not criminalize for relatively small amounts of cannabis. This would not be a criminal conviction and would be dealt with similarly as alcohol in that law enforcement can confiscate it and has the option of issuing a ticket.
- If a youth receives 3 or more tickets in a year, mandatory Alternative Measures, implemented by their band, will be enforced in cooperation with their community, band, school and parent/guardian

### Public Consumption:

#### Cannabis Smoking and Vaping:

- Recommend prohibiting public cannabis smoking altogether, but allow cannabis vaping wherever tobacco smoking and vaping are allowed. Establish additional restrictions such as prohibiting cannabis smoking and vaping in public parks, transit shelters, enclosed public spaces on health authority and school board property, common areas of apartment buildings and community care facilities. 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.

#### Edible forms of Consumption

- Adults allowed to make their own edible and other products at home

### Drug-impaired Driving:

- Recommend BC could 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.
- Recommend BC could expand the Immediate Roadside Prohibition IRP and/or Administrative Driving Prohibition (ADP) programs to include drug-impaired driving - implement License prohibitions, monetary

penalties, and vehicle impoundment and license reinstatement fees for individuals not in compliance with the law.

- Recommend RCMP also test and publish results of IRP device tests annually to show whether they are accurately measuring drivers under the influence (studies have shown in recent past these machines frequently are inaccurate)

#### Personal Cultivation:

- Recommend BC set restrictions regarding where and how non-medical cannabis can be grown at home. Prohibit indoor cultivation at personal residence; allow outdoor cultivation but require that plants not be visible from outside the property; and/or require any outdoor plants be secured against theft and aren't accessible to children.
- Recommend greenhouses (not connected to home) be permitted to grow cannabis for personal use, provided less than 3 plants are grown if for non-medicinal use

#### Distribution Model:

- Recommend Private distribution — In this model, one or more private businesses could be responsible for the physical warehousing and distribution of cannabis. This would allow the Government to regulate standards through inspections.

#### Retail:

- Recommend medicinal cannabis be sold in pharmacy-type retail setting, recreational use sold in separate retail store to distinguish use, especially in the minds of youth and children
- Recommend BC could establish a public & private retail system, a mix of both, as currently exists for alcohol. This would allow for dispensaries that existing that are illegal to transition into the legal system.
- Recommend BC to establish a direct-to-consumer mail-order system. This could help provide access to legal cannabis for those in rural and remote locations and for persons with mobility challenges.

# token

## NATURALS

***SUBMISSION TO***

**BC CANNABIS REGULATION ENGAGEMENT**

**NOVEMBER 1, 2017**

### **Company Introduction**

Token Naturals Ltd. is an early stage cannabis start-up formed in November 2016. Token is a product development company with an emphasis on research and innovation in the cannabis space. Our initiatives include: an extraction lab and refinery; a product development pipeline; an innovation hub and boutique grow space. We aim to provide high-quality and innovation-driven products to cannabis users in the coming Canadian legal market. Currently, Health Canada is reviewing our application for an *Access to Cannabis for Medical Purposes Regulation* (ACMPR) commercial license, and we anticipate approved sales of our extracted cannabis oil products to begin in time for legalization.

Like the province of British Columbia, we encourage an atmosphere of responsible entrepreneurship. Token plans to utilize our licensed facility to incubate new cannabis ventures in the years to come. We believe that all interested citizens should have access to informed and responsible entry into this burgeoning industry. As a company, we are committed to creating an equitable industry that is responsible and therefore sustainable and successful in the long run.

### **Interest in British Columbia**

Token was founded from the efforts of its founders during the MBA program at University of British Columbia's Sauder School of Business. Our founders were involved in the City of Vancouver's public consultation of marijuana-related business bylaws. Token has great respect for the cannabis industry within BC, and knows that the network of cannabis industry pioneers within the province has heavily contributed to

the evolving cannabis regulation in Canada. The industry in British Columbia has shaped the way Canadians view cannabis, and the province has the opportunity to continue setting that example under recreational legalization.

Despite early traction in BC, Token currently operates in Alberta. This is partially due to Alberta's history of effective private retail systems for regulated goods such as alcohol operating within a strong presence of provincial regulatory bodies.

We hope to see a regulatory framework that allows us to invest additional capital and infrastructure into British Columbia's cannabis industry.

## **DISCUSSION ON DISTRIBUTION AND RETAIL**

Token chooses to contribute to the conversation on distribution and retail models. It is our opinion that the most effective retail and distribution system would include provincially regulated distribution centres and privately owned retail outlets.

BC has historically exemplified innovation and business initiative, and this should extend into the newly forming cannabis industry. However, Token believes that government should retain the opportunity to regulate and monitor this market as legalization unfolds. Combining private retail with government distribution centres minimizes start-up and administrative costs while still retaining regulatory controls that protect the safety of citizens. This model has seen great success in other markets, such as liquor under the Alberta Gaming and Liquor Commission (AGLC). In addition, this system would mirror the province's neighbour, allowing for efficient inter-provincial trade which would result in positive competition and the opportunity for BC businesses to easily expand their reach.

### **On Distribution**

Of the three basic models the province has outlined for the warehousing and distribution of cannabis to retailers in BC, we support government distribution. Under this system, the BC government would purchase product from federally licensed producers and then supply to all private retailers. We believe that the integration of a measure of government oversight is a wise and responsible practice that provides insight into the market and protects the consumer. Government involvement at the distribution level creates an environment that encourages the good performance of private retailers and Licensed Producers (LPs).

Token supports government distribution because we believe this system:

- Ensures the safety and quality of products
- Supports seed-to-sale tracking
- Provides the government with additional data and insight into the new market



- Allows for simpler monitoring of responsible and regulated labelling, which will promote informed and responsible use
- Allows a more diverse group for potential producers to access the BC market, including best actors from BC's substantial pool of currently unregulated growers who may look for a opportunity to participate in the licit industry

If the government offers clear oversight over distribution, consumers can be sure that they are only purchasing legally produced (and therefore accountable) products. Provincial distribution allows for equal opportunity for large and craft producers, and reduces the likelihood of monopolization and price manipulation. It also allows for equal access to urban and rural communities, so that access in remote communities would not be cost prohibitive. If cannabis were to be sold directly from LP to retailer, remote communities and smaller markets would be penalized by privately-determined shipping costs.

This system also allows for easily implemented adjustments on production control, should the BC government choose to create additional opportunity for small producers within BC (in light of potential federal shortages). Any necessary policy changes that come to light during the legalization roll out can be swiftly implemented by one body. Retailers are more motivated to follow provincial requirements for the advertising and sale of cannabis, which will limit consumption and related harm.

## **On Retail**

Of the presented options for retail systems, Token supports privately owned retail outlets, supplied by the provincial distribution centre. We believe it is important to incorporate the established private model seen in BC, in order to maintain the knowledge and spirit of current industry leaders.

It is our assumption (and opinion) that all private businesses and their employees will be regulated through a provincial licensing system that will screen for the appropriate detrimental factors. We support the idea that businesses should be awarded the opportunity to operate based on a myriad of safety protocols and a demonstrated presence in and support of the BC business community.

We believe private retail creates the following benefits:

### ***BC Innovation***

BC has a world-renowned reputation of supporting innovation and fostering entrepreneurship, to the continued benefit of its communities. A private retail system reduces the burden of infrastructure and manpower on the government and places the onus on the business community. Particularly due to the long history of the BC's demonstrated knowledge of and innovation in the cannabis market, private businesses are poised to lead the industry. Established private retailers have contributed significant

investment and education to the community. This leadership and entrepreneurial spirit should be rewarded and fostered.

### ***Swift Transition***

Private retailers reduce the time needed to transition the market from illicit to licit, as businesses are motivated to open quickly and efficiently, creating a swift transition from black market to legal. With a strong and successful current private dispensary system, continuing private retail would allow for existing dispensaries (that qualify under regulation) to transition to the legal system.

### ***Healthy Competition***

A private system ensures quality through competition. Currently, the options for BC consumers to purchase are varied and easily accessible. We must endorse that standard rather than restrict access, as this would reduce the adoption of legal purchasing behaviours. Within appropriate restrictions for security, private retail supports sufficient access which in turn reduces the desire to operate within the black market. Private competition means fair cost to consumers, increased selection and improved quality of product.

Token believes that a private market and its driving entrepreneurs will be efficient and nimble enough to push out the black market. Simply put, they are the most motivated to ensure a positive and successful transition to legal cannabis in Canada.

### ***On Co-Locating***

Token does not support the co-location of cannabis in retailers that also provide alcohol, tobacco, or pharmaceuticals. Token promotes the responsible consumption of cannabis and aims to reduce the negative impacts on public health through misuse. As such, we discourage the combined consumption of such products with cannabis and support reducing the ease of which these substances can be purchased together. A ban on co-location simplifies the licensing process and increases effective inspection and policing protocols. Dedicated cannabis retail outlets increases the opportunities for employees to showcase an improved expertise through specialization.

While we discourage co-locating, we are careful to clarify that we do not believe that cannabis retail outlets should have prohibitive restrictions on locating *near* alcohol, tobacco or pharmaceutical retailers. This prevents cannabis retail from being relegated to a “back alley” atmosphere that would reduce the legitimacy of regulated – and therefore legal – retail.

## On Mail Order

Token believes the province should continue the current mail order system as it has been successfully operating and, simply put, it has been working. Mail order fills a need and provides a legal alternative for those in remote communities. The continued use of mail order will support the transition to legalized cannabis as new infrastructure is created and laws are enacted province-wide.

## SUMMARY

Token supports a safe and sustainable system that will serve to protect BC's consumers in all senses of the term. We believe the most responsible and effective way to facilitate the new cannabis market in British Columbia is to utilize government-regulated distribution centres with privatized retail storefronts. With this pairing, we can serve the best interests of the consumer while celebrating and fostering the established leadership of the BC cannabis community.

Document prepared by:

**Cameron O'Neil**

President & Co-Founder

**Keenan Pascal**

CEO & Co-Founder



TOUSAW LAW CORPORATION

1 November 2017

To the Cannabis Legalization and Regulation Secretariat:

Thank you for considering this submission. This is an historic moment in the development of cannabis policy and the growth of the cannabis industry in British Columbia. I write this as my own submission, and not on behalf of any individual clients. That said, the suggestions and thoughts in this document are the product of nearly 30 years of advocacy for law reform and 20 years of legal practice, the last 12 spent in this Province working exclusively within the cannabis industry.

My practice began almost exclusively in the area of criminal law. Increasingly, and in particular over the past 3 to 5 years, my experience is that arrests and prosecutions for cannabis-related offences have decreased dramatically. This is a welcome trend and one that, I hope, continues as we begin to implement a model of legal production, sale and possession of cannabis.

This Province has a very rich history in leadership on cannabis issues, both within and outside government, and the coming law reform presents us with an opportunity to continue that leadership role and to be an example of best practices in transitioning from a mostly illicit economy to a licit one.

This transition also presents many challenges. Myths that have been propagated for so long that they have been internalized are obstacles to implementation of sensible policies. The vitality of these myths creates political considerations that can undermine good decision making. I urge British Columbia to reject policy making based on fear and, instead, to move forward with an understanding of, and respect for, the history of cannabis in this Province and the vitality and energy of the existing, though illicit, industry.

### **Cannabis consumers, farmers and distributors are people**

This concept may seem self-evident. Unfortunately, my experience dealing with the stigma around cannabis consumption has taught me that many people consider cannabis consumers to be the “other” or somehow deviant. This false conception manifests itself in many ways. I encounter it regularly in municipal licensing situations, principally thus far in the City of Vancouver process including more than two dozen appearances before the Vancouver Board of Variance. A constant theme of those hearings is members of the public opposing dispensaries in their neighbourhoods out of fear of increased crime and social disorder.



Nothing could be, empirically, further from the truth. Research from other jurisdictions demonstrates that dispensary access reduces crime, reduces overdose death, increases property values and contributes to the revitalization of local communities. Cannabis consumers come from all walks of life. We are your neighbours, employees/employers, friends and family. The use of cannabis is normal, not deviant. Choosing to use cannabis (particularly instead of much more dangerous substances like alcohol) is rational and should be encouraged, not marginalized. Recognizing the humanity and normality of cannabis consumers means accepting that we deserve dignified access in at least the same manner and with the same ease that others access alcohol. It also means crafting policies that do not discriminate against people on the basis of prior unlawful involvement with cannabis.

The same extends to those who currently grow cannabis, sell cannabis or make cannabis derivative products. I've spoken to hundreds of people in the cannabis industry in this Province. The vast majority are passionate about what they do and excited to grow or make or sell great products. Their passion is no different from the passion that a craft brewer, master vintner or great chef exhibits and it is long past time that we stopped treating them as criminals.

### **Legalization is not creating a new industry**

As Canada has grappled with legalizing cannabis and debated how best to achieve our collective goals, the discussion has often taken place in a vacuum. There is an underlying premise, unstated and incorrect, that legalization is equivalent to the creation of a new cannabis industry.

But in British Columbia, perhaps more than any other place in Canada, it is critical to understand that the existing illicit cannabis economy is massive, vibrant, entrepreneurial and predominately well-intentioned. It is populated not by stereotypical organized criminals and gangs but, rather, by ordinary people from all walks of life. It has been the lifeblood of many small communities in this Province, particularly in times of economic struggle and has contributed as much, or more, to the economic health of British Columbia than many of our major industries. More people work in the illicit cannabis trade in this Province than anywhere else in Canada. We are the Canadian birthplace of dispensaries and have a well-earned reputation as the source of some of the highest quality cannabis grown anywhere in the world.

What this means at a practical level is that creating a “new” industry while failing to assimilate and transition the existing industry will lead, inevitably, to competition between the two. And the illicit industry has a huge head start, more resources, more experience, an existing dedicated base of consumers and a wider variety of products and choices than will be available (at least initially) in the licit marketplace. Unless British Columbia is prepared to return to a time of increased criminal enforcement and new civil battles, clogging already overburdened courts with cannabis offences and civil claims, a competition between licit and illicit

industries is likely to prove to be expensive and ultimately as much a failure as our current prohibition model is. Moreover, it is unnecessary.

Instead, I urge British Columbia to recognize the vitality and entrepreneurial spirit of the existing market participants and to harness that energy cooperatively rather than attempting to compete against it. This means being willing to accept a time of transition, in which both sides of the legal dividing line exist but during which we direct our energies into finding the best way to bring the current actors out of the shadows and into the light.

### **Privately owned dispensaries must be part of the future**

There are currently in excess of 300 privately owned dispensaries operating in British Columbia. Since the first two dispensaries opened (in Vancouver and Victoria) in the mid-1990s, these organizations have provided dignified reasonable access to cannabis to medical consumers in spite of police raids, prosecutions and now a combination of municipal licensing and civil actions seeking to close them. Despite these efforts to alternatively support and close dispensaries, determined largely by local decision-making, the number of and sophistication of dispensaries has gradually increased.

Contrary to prevailing mythology, many dispensaries test their products and have established quality control procedures that, to date, appear to be working quite well. Dispensaries have varying levels of rigour in their intake procedures and recently some have moved away from the medical-only model to an adult-only customer base. What is clear, however, is that residents of British Columbia enjoy the ease of access, selection of products and customer service provided by storefront dispensaries. Also clear is that private dispensaries will not simply disappear with the advent of recreational cannabis legalization. This is particularly true because the first stage of legalization will feature a very limited range of lawful products and it appears unlikely that existing lawful suppliers will be able to adequately supply the market demand.

Other provinces have announced their intention to respond to this challenge by instituting public monopolies over retail distribution of cannabis and doubling down on the proven failure of enforcement heavy approaches to the existing industry. Ontario, for example, is taking this path. That is a mistake and is likely to produce significant unintended negative consequences and to work contrary to the goal of gradually eliminating the illicit market for cannabis.

In terms of concrete suggestions, in my view the Province should implement a regulatory model that permits privately owned retail storefronts. This model will produce significant benefits including:

- Encouraging the growth of small community-based businesses;
- Harnessing the entrepreneurial spirit already existing in the dispensary industry;

- Reducing the burden on taxpayers that would otherwise exist if law enforcement criminal justice actions against dispensaries become more common;
- Reducing the burden on taxpayers from expensive civil litigation attempting to shut down private dispensaries;
- Hastening the transition away from the illicit market to a fully-licit marketplace;
- Providing British Columbians with the most options for their consumer decisions.

Further, strong consideration should be given to also allowing local municipalities to continue to use their power over zoning and business licensing to regulate illicit dispensaries during a transitional period and until such time as the full range of products are made lawfully available to British Columbians.

### **Consumers should be provided choice**

Retail cannabis sales in British Columbia already take place in storefront dispensaries, by home delivery services and through e-commerce. These options will remain available outside the regulated market for the foreseeable future. In order to maximize consumer transition to licit sources, all existing illicit supply options should be part of the legal marketplace. This means permitting direct-to-consumer sales via mail, by personal delivery and on-site sales and on the sites of production in a manner similar to vineyards.

E-commerce provides easy and discrete consumer access. Home delivery provides those benefits coupled with allowing the consumer to inspect and discuss products prior to purchasing. Retail storefronts give consumers a familiar and comfortable purchasing experience. And permitting a vineyard-like experience connects consumers with farmers in a way that is simply not possible today, fostering greater understanding of the way the plant is grown.

### **Consumption sites must be an option**

Part of providing British Columbians with choice, respect and dignity is recognizing that people enjoy consuming cannabis socially. It also means understanding that not everyone has the option of consuming in the places that they reside. Cannabis consumption lounges allow those who wish to consume cannabis socially a place to do so. These lounges have operated successfully in Vancouver and other jurisdictions for many years and should be permitted to continue doing so. Social consumption sites should be licensed to sell cannabis directly to consumers for on-site consumption and take-away, much the same way that alcohol bars are currently permitted.

### **Home production is safe and should be encouraged**

A persistent myth around cannabis is that it is inherently dangerous to grow. It is not. It is a plant, like many others, and requires no special training or dangerous

practices to cultivate successfully. In particular, outdoor production requires nothing more than plants, sun, water and good soil. The *Allard v Canada* litigation, involving extensive fact and expert evidence on home production, should have answered any lingering doubts about the safety of producing cannabis, even indoors. Unfortunately, fear-based rhetoric on this issue continues to dominate the discussion.

British Columbia is home to the more legal production sites than any other province. It has a long history of being the place where the best cannabis in Canada, and perhaps the world, is grown. While exceptions exist, the vast majority of this production occurs safely and without damage to people or property. Most of the harms associated with indoor production is a product of its current illegal status and legalizing personal production for recreational purposes will eliminate these harms and allow many British Columbians to be self-reliant, further hastening the transition away from the illicit market. Outdoor production under the sun rather than high powered lights should not only be permitted, but encouraged as an environmentally responsible option.

**The federal government should be urged to reduce red tape**

It is currently far too onerous, expensive and time-consuming to obtain federal approval to grow cannabis commercially. This must change. Regulatory controls must be commensurate with risk, which is low, and not prevent small craft producers from participating. British Columbia should ask the federal government to allow it to regulate intra-provincial production and sale in a manner similar to wine productions.

Thank you for your consideration.

Yours very truly,

A handwritten signature in black ink, appearing to read 'Kirk Tousaw', with a long horizontal line extending to the right.

Kirk Tousaw  
Tousaw Law Corporation

October 26, 2017

Email: [cannabis.secretariat@gov.bc.ca](mailto:cannabis.secretariat@gov.bc.ca)

Attention: Cannabis Legalization and Regulation Secretariat  
Ministry of Public Safety and Solicitor General  
P.O. Box 9285  
Stn Prov Govt  
Victoria, BC V8W 9J7

Dear Sir or Madam:

**Re: Cannabis Legalization and Regulation in British Columbia – Discussion Paper**  
**- Response Town of Oliver**

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The Town of Oliver respectfully provides the following response to the Province of British Columbia regarding Cannabis Legalization and Regulation.

Town of Oliver Council is of the opinion that the Provincial government should advocate with the Federal Government to extend the consultation period. The lack of communication and consultation with local governments, and this extremely short consultation timeline (seven months) does not provide adequate time for the Province to receive input and implement regulatory and enforcement schemes respecting Cannabis Legalization and Regulation in British Columbia.

The Town of Oliver strongly recommends that both Federal and Provincial governments establish the cannabis regulations that local government abide. This local government believes that it is not the responsibility of a municipality to assume responsibility and duties respecting cannabis legalization.

The Town of Oliver is of the opinion that a “Cannabis Control Board” that is similar to the BC Liquor Control Board or a regulated pharmacy should be responsible for direct distribution and retail sale of cannabis. Both Liquor Control Board and regulated pharmacies are experienced with the sale of controlled substances. Implementing this model assists municipalities with regard to amendments to its Zoning Bylaw and Business License Bylaw.

...2/



With regard to the distribution of revenue, it is necessary for local governments to receive an adequate share, especially if local governments are to assume new responsibilities and deal with increases in the administrative burdens that a provincial framework that may require local government participation. Potentially local governments should receive at least twenty (20) percent of any cannabis revenue on a per capita basis to municipalities to cover the costs of increased inspection and enforcement. The per capita calculation should include the regional district as most, if not all, cannabis outlets will reside within municipal boundaries.

The Town of Oliver strongly believes that municipalities should not be responsible for distribution, regulation and enforcement resulting from the legalization of cannabis.

However, to participate in the consultation process the Town of Oliver provides specific responses to the Discussion Paper as follows:

1. Minimum age should be 19 in British Columbia to match the age of majority
2. Personal possession to be 30 grams for adults
3. Youth should not be allowed to possess, purchase or use cannabis. The remedy for youth possession should be a ticket and the cannabis confiscated, much like a illegal possession for alcohol
4. Public consumption should be the same restriction as there is for public smoking or vaping. Municipalities would regulate as needed within their boundaries
5. Personal production of cannabis should have no restrictions as to where the four allowed plants are grown on a residential property.
6. Commercial production of cannabis with Town limits should be restricted to Industrial Zones with restrictions relating to increased security and odour.

Yours truly,



Ron Hovanes  
Mayor

cc Council



## TOWN OF VIEW ROYAL

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October 23, 2017

Ministry of Public Safety & Solicitor General  
PO Box 9285 Stn Prov Gvt  
Victoria, BC  
V8V 9J7

**Attention: Cannabis Legalization and Regulation Secretariat**

**Re: Cannabis Legalization and Regulation in BC**

At the Council meeting held October 17, 2017, View Royal Council reviewed the eight key points in the Ministry's discussion paper entitled "Cannabis Legalization and Regulation in BC" and provides the following feedback for consideration:

- Minimum Age: minimum age of 19 years old to buy, grow and publicly possess up to 30 grams of non-medical cannabis;
- Personal Possession – Adults: limited to not more than 30 grams dried cannabis;
- Personal Possession – Youths: limited to not more than 5 grams dried cannabis and product may be confiscated and a ticket issued;
- Public Consumption: to follow the same requirements as alcohol, the *Liquor Control and Licensing Act* and the Capital Regional District's Clean Air Bylaw;
- Drug-impaired Driving: much work and training remains to be done on this issue to ensure our communities are kept safe; this work must involve police departments and communities;
- Personal Cultivation: limited to not more than four plants per household though there are concerns regarding impacts to structures, impacts to landlords, and scent in multi-family structures;
- Distribution Model: a government distribution model should be established for the warehousing and distribution of cannabis;
- Retail: a public retail system should be established and advertising should be prohibited;
- Regulations should be the same across the Province though local government should be able to individually determine if they wish to zone or not zone for cannabis-related uses; and
- Local governments should be included in the related revenue that will be generated.

If you have any questions or require any further information, please do not hesitate to contact the undersigned.

Sincerely,

Elena Bolster  
Deputy Corporate Officer







Est. 1873

OFFICE OF THE MAYOR **JACK FROESE**



October 30, 2017

The Hon. Mike Farnworth  
Minister of Public Safety and Solicitor General  
PO Box 9010 Stn Prov Govt  
Victoria, BC V8W 9E2

Dear Minister Farnworth: *Mike*

**RE: Cannabis Legalization and Regulation Discussion Paper**

Thank you for the invitation to provide input on the Cannabis Legalization and Regulation in British Columbia Discussion Paper. Since the announcement by the Federal Government on the proposed legalization of cannabis, the Township of Langley has reviewed how this new legislation may affect the residents of our community. With that in mind, we are pleased to submit our comments on the discussion paper.

First, the Township would like to express concerns regarding the use of Agricultural Lands for the production, processing, packaging and distribution of cannabis. When the related guidelines were first introduced by the Federal Government, we understood the intent to have been to accommodate such operations in commercial/industrial facilities in appropriately designated areas, enabling such operations to address public safety concerns and servicing standards.

Having said that, the provincial government, based on the decision made by the Agricultural Land Commission (ALC), has determined that that growing of cannabis is considered to be a permitted "farm use" within the Agricultural Land Reserve (ALR); with the buildings used for such purpose to be permitted to be assessed taxation as a commercial building. The Township of Langley believes this to be contrary to the intent of protecting agricultural lands for food production with significant implications as discussed below.

Access to adequate water supply, environmental impacts, public safety and the ability to provide fire protection are amongst the main concerns expressed by the Township in relation with ALC decision to permit such facilities in the ALR. With over 75% of the approximately 300 km<sup>2</sup> land mass located in the ALR, the Township of Langley is home to the highest number of farms in the region. These areas are generally not serviced by the municipal water system, making a potential fire emergency, a significant public safety concern. The additional demand imposed on local aquifers, the use and disposition of chemicals, and potential leaching and contamination of the surrounding environment, would have serious public health and safety concerns.

In summary, the Township of Langley believes that commercial cannabis grow operations on agricultural lands not only do not benefit the community, but rather create harm to water sources and the environment with public safety implications; and as such should be located in

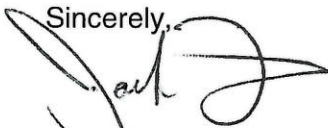
appropriately zoned and serviced commercial and industrial areas. Therefore, we request provincial consideration of prohibiting the location of such operations on ALR lands.

With respect to the discussion paper, we are pleased to provide you with the following comments:

- 1) The minimum age for possessing and purchasing of cannabis should be 19, the same as the legal age for possessing alcohol. To differentiate would cause significant confusion.
- 2) Personal possession of a 30-gram limit for adults is understandable. However, we disagree with the 5-gram possession for youth, since youth cannot purchase cannabis legally. Being permitted to carry and the proposal to allow youth to possess places a significant burden on limited local policing resources.
- 3) In public places, consumption of cannabis and related products should be regulated in the same manner as tobacco smoking and alcohol consumption in order to be consistent with existing regulations. There has been significant public education regarding the regulations surrounding tobacco and alcohol use and transposing those regulations to cannabis use would be plausible.
- 4) Drug impaired driving, although a policing issue, would still require budgeting for training and equipment needed for enforcement and those budgeted costs should not be borne by municipalities.
- 5) The Township of Langley does not support the proposal to allow personal cultivation. With commercial grow operations it is expected that there would be sufficient quantity of the product to address the demand. If the regulations were to allow any person over the age of 19 to grow up to 4 plants per household, it would place a heavy and unmanageable burden on local governments. Our experience with residential cannabis grows have proven costly and detrimental to the municipality and the neighbouring residents quality of life; no matter what the minimum or maximum permitted plant numbers. It would be impossible to regulate and the damage to homes related to mould and disposal of hazardous material would be extremely challenging.
- 6) With respect to distribution models, the Township of Langley would like to see the Ontario model followed in British Columbia, where government-operated outlets would supply and provide cannabis to the public. The Federal Government currently has the regulatory scheme in place along with training for alcohol use; therefore the transition would be somewhat continuous, safe, and reliable.

Thank you again for the opportunity to provide input on this significant public policy matter. I would be pleased to engage in any further discussion or provide more details regarding our concerns. Please don't hesitate to contact me at 604.533.6000 or jfroese@tol.ca.

Sincerely,



Jack Froese  
MAYOR

cc: The Honourable Lana Popham, Minister of Agriculture, Province of B.C.  
Ramin Seifi, General Manager, Engineering & Community Development, Township of Langley



# TREES DISPENSARY



October 31, 2017,

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

Thank you for the opportunity to engage in this public discussion concerning the regulation of cannabis in British Columbia. Trees Dispensary is Vancouver Island's largest chain of cannabis storefronts, operating five locations in Victoria and one in Nanaimo. We have over 16,000 members, two storefront locations that have been rezoned for cannabis retail, and all of our storefronts in Victoria are in the process of business licensing according to the municipal process enacted in Victoria.

My primary recommendation is to pursue a hybrid public/private model that allows for digital compliance monitoring, and tracking of private retail outlets. Sales should be allowed to anyone over 19 years of age, and licensed smoke and vapour lounges should be regulated by the province in a manner similar to bars and restaurants that serve alcohol.

Alex Robb, General Manager, Trees Dispensary

## **EXECUTIVE SUMMARY**

- Cannabis is being legalized as a result of the efforts of advocates in BC, and the cultural shift toward normalization of cannabis use. In this, Victoria and Vancouver have led the province and the world, and the work completed in those metropolitan areas should not be undone.
- The cannabis marketplace in BC is maturing, professionalizing, and establishing industry norms of behavior around community service, cooperation with authorities, and public education on the use of cannabis as medicine. A legal and regulated system should include these actors.
- An officially acknowledged 'transitional period' is essential in setting up the best possible system for BC. The transformation of a thriving black market industry into a legal marketplace will take time, and policy adjustments will be necessary to respond to the unintended consequences of initial regulation, and ensure a balance of legal supply with consumer demand.
- As soon as possible, the Government of BC must announce an intention to move toward a hybrid model that includes private dispensaries so that the large publicly-traded cannabis companies can freely negotiate and plan for a distribution model that includes the storefronts already in place.
- The province should license numerous different categories of consumption spaces (cafes, lounges, comedy clubs, hotels and resorts, night clubs) in order to stimulate entirely new business sectors across the province. Consumption of alcohol should be prohibited in these spaces.
- The province should engage with emerging Canadian information technology companies to build compliance software for retail dispensaries, value-added producers, and cannabis lounges to allow for Just-in-Time delivery systems and provincial monitoring.
- There should be a free marketplace for software solutions and for laboratory testing solutions that follows provincial mandated certification standards but allows technology solutions to fit particular business use-cases. There is significant potential for blockchain network protocol technologies to serve this function, as they are ideally suited to providing for this kind of seed-to-sale verification with an untamperable ledger, but without requiring a centralized bureaucracy for warehousing and distribution of regulated cannabis products.

## **A Short History of Legalization from the Perspective of the BC Dispensaries**

It is important to recognize that cannabis is not being legalized simply because it was the whim and election promise of Prime Minister Justin Trudeau, rather it arises as the culmination of the efforts of social activists, lawyers, public intellectuals, and medical cannabis activists. The first federal laws regarding access to medical cannabis, the 2001 Medical Marihuana Authorization Regulations (MMAR), were directly the result of the *R v. Parker* court decision in 2000, which held that people with a medical need had the right to possess cannabis. It is from this court case, and the need for a system to provide cannabis for people with a medical need that arose the Compassion Clubs, and Cannabis Buyers' Cooperatives in Vancouver and Victoria. The purpose of these clubs was to pool together people who had obtained an MMAR right to cannabis with designated growers, who could expertly cultivate the plant. The Stephen Harper Conservative government in 2012 attempted to rescind these MMAR rights, and create a new draft set of cannabis regulations, the Marihuana for Medical Purposes Regulations (MMPR) that would only allow corporations licensed by the federal government to produce cannabis, which would be distributed exclusively through the post system. This legislation was challenged by the case *Allard et al v. R*, which decided in favour of group of MMAR growers, and demanded that the Government of Canada revise the MMPR system and grandfather many of these growers into the new system. In the *Allard* court case, the presiding judge stated very clearly that dispensaries are at the heart of medical access to cannabis.

One must understand the nature of law in Canada to understand why dispensaries are allowed to operate, and have flourished in this province in the way that they have. There is in fact some legal grounding for existing cannabis storefronts. The legal ground for retail cannabis dispensaries arises from common law and jurisprudence rather than legislative law. The numerous court cases, which have repeatedly thrown out charges against people distributing cannabis for people with a medical need, and struck down federal legislation block access to cannabis as unconstitutional, have provided the grounds for this nascent, activist-oriented business sector in BC. As the culture of BC shifted toward a greater acceptance of cannabis use, users and producers alike were accepted as part of mainstream society, and unregulated cannabis growers provide significant economic stimulus to rural BC communities.

To summarize, cannabis is being legalized as a result of the efforts of advocates in BC, and the cultural shift toward normalization of cannabis use and education on the benefits of medical cannabis that such advocates have precipitated. In this transformation, BC has led the country and the world, and Victoria and Vancouver have led the province. The cultural shift toward normalization of cannabis has already taken place in the two major metropolitan centres in BC, and a *de facto* distribution system has been set up through the medical cannabis storefronts being licensed by municipal governments in Vancouver and Victoria.

The private retail marketplace is maturing, becoming professional, and establishing industry norms of behaviour around community service, cooperation with authorities, and public education on the use of cannabis as medicine. The cannabis retail business in these cities continues to lead the world in providing high quality, low-cost cannabis products, offering a greater the diversity of different products (including extracts, tinctures, salves, suppositories, bath aids, and vapourizable oils), and transferring technology and innovation from the legal cannabis sectors in California, Colorado, and Washington State to BC to remain on the forefront of the industry. Whatever the regulations for legal cannabis in BC end up looking like, they should be sure to encourage this innovation and build on our strengths rather than undermine the progress that has already been made here.

## **Acknowledging the Necessity for a Transitional Period for Cannabis Regulation**

An officially acknowledged transitional period is essential to setting up the best possible system for BC. The transformation of a thriving black market industry into a legal marketplace will take time, and

policy adjustment will be necessary to respond to the unintended consequences of initial regulation. To ensure the province smoothly moves toward legalization and regulation of cannabis, a transitional period should be announced by the provincial government to attend to concerns of balancing of supply and demand, and minimizing negative impacts on BC's rural economy.

The black market for cannabis production in BC is likely valued somewhere between \$4 billion and \$8 billion retail price for dried flower, but only \$400 million is consumed in the province.<sup>1</sup> Roughly 90% of cannabis grown in BC is consumed outside of the province and this amounts to a significant inflow of capital into the province, much of which supports rural communities. The transition of this industry from a largely untaxed and unregulated one toward a licensed and regulated marketplace is essential for not just maintaining BC's economy, but also transitioning the black market in other jurisdictions that have been impacted by BC's illicit cannabis industry.

To prove the point that the existing federally-licensed production infrastructure will not nearly meet the demand of local BC consumers by July 2018. I will draw from most recent figures from Trees Dispensary as well as the largest cannabis producer in the country, Canopy Growth, in order to make this point very clear.

According to its most recent quarterly report, Canopy Growth states that it sold 1,830 kg of cannabis, averaging 610 kg per month.<sup>2</sup> In the month of October 2017, Trees Dispensary's Inventory Hub processed 63.5kg of cannabis (by "processed", I mean received bulk product into our inventory, de-stemmed it, and weighed it into smaller quantities to distribute to our storefronts for retail sale). We use the same inventory management system as is mandated by a number of legal cannabis states due to its traceability capabilities, and so we can track our products from receipt of bulk inventory to the sale of individual gram units. So last month, our relatively small retail company processed slightly over 10% of the quantity of dried cannabis that Canopy Growth sold in an average month.

Canopy Growth is by far the largest and best-capitalized cannabis company in Canada. It is one of 69 federally licensed producers, but with a market capitalization in excess of \$1.8 billion dollars, it is significantly larger than the combined market capitalization of its two closest competitors, Aurora Cannabis and Aphria. On the other hand, Trees Dispensary operates only 7 of likely 250 dispensaries that are operating in BC – less than 3% of the total marketplace. Furthermore, the entire marketplace for cannabis is not even served by the dispensary system, so the entire market for cannabis in BC is likely much larger. As it stands, there are only 16 licensed producers located in BC, all of them are significantly smaller than the top three producers. There is simply no possibility that there will be sufficient supply of cannabis from licensed producers by July 2018 to satisfy existing consumer demand, let alone the anticipated increase in demand by people who want to try cannabis now that it is legal.

The has two implications for the work of the cannabis secretariat, and offers solid ground to consider an officially-declared transitional period that will provide opportunities for black market participants to transition to a legal marketplace regulated by the province. First, if the province attempts to build a centralized distribution system for the sale of cannabis produced only by federally licensed producers, then they will find they do not have sufficient stock in the first two years of legalization. The public will blame the provincial government's model as a failure, and the black market will continue to find ways to thrive outside of the legal system. Second, if the province intends to pursue a hybrid model, then it must announce this as soon as possible so that all parties can plan appropriately, and existing dispensaries

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<sup>1</sup> See Larissa Flister, 2016, "The Cannabis Market in Canada and in BC"

<https://cannabislifenetwork.com/wp-content/uploads/2016/08/>

CGC20Report20on20Cannabis20Labour20Impact20in20BC.pdf, retrieved October 31, 2017

<sup>2</sup> See <https://www.prnewswire.com/news-releases/canopy-growth-corporation-reports-first-quarter-fiscal-2018-financial-results-640279743.html>, retrieved October 31, 2017

can be used as agents to transfer the existing consumer supply toward licensed producers and craft growers.

If the province mandates a centralized warehousing and distribution system run by a crown corporation that draws solely on the supply of the existing federally-licensed producers, there are numerous problems that will likely ensue:

- 1) The existing legal supply will not meet consumer demand;
- 2) Extraordinary costs will have to be borne to set up a new provincial bureaucracy, retail outlets, and uprooting the existing system of municipally-licensed cannabis retail stores and unregulated producers whose rights to produce are still grandfathered from the MMAR period.
- 3) The economies of many of the rural communities of BC will suffer as they lose a major source of revenue, as many local economies in regions of BC have been bolstered by illegal or grey-market (MMAR) cannabis production.
- 4) Public backlash will be directed against the provincial government that will be blamed for the lack of a legal supply, and for enforcement actions against popular, community-oriented storefronts or unregulated growers that have become reputable within their own communities.
- 5) The black market will continue to thrive, and the province will lose out on the tax revenues, and lead to a diminishment of respect for provincial authority.

Trees Dispensary is committed to following whatever provincial regulations are designed, and we intend to become a leading company in the legal marketplace. To prepare, we have begun to negotiate wholesale arrangements with privately-held licensed producers, and licensed producer applicants, in order to ensure we have sufficient access to a legal supply. However, because of Health Canada's antipathy towards BC's cannabis dispensaries, the largest publicly-traded cannabis producers are unable to go far in discussions with existing cannabis retail outlets until they receive some notice from the province that private storefront retail will be allowed in the new system. For this reason, I strongly recommend that if the BC government is considering including the dispensaries into the new legal marketplace, that they announce this intention as soon as possible so that all parties may plan accordingly.

To best serve the needs of BC's communities and provide for a smooth transition toward a fully legal marketplace, there should be an officially acknowledged transitional period with four explicit aims:

- 1) To not unduly dislocate vulnerable rural communities that are economically bolstered by the black market cannabis trade, and to assist these communities in transitioning their economies.
- 2) To provide a timeline for existing black market growers to find a place within the legal marketplace;
- 3) To allow the production capacity of legal cannabis supply to catch up with consumer demand, and encourage new market entrants to fill these gaps; and
- 4) to allow local and regional governments to put into place their own land use, zoning, and business licensing regulations, and move at a pace which is conducive to local concerns and the expressed interests of neighbourhoods and residents.

### **Possible Sites of Future Innovation for BC's Cannabis industry.**

There is significant opportunity for promoting innovation in numerous sectors in the process of legalizing and regulating cannabis in the province, and these should be considered as part of regulatory design. This final section will highlight four sites of new business potential that is possible with provincial regulation that could significantly benefit BC's evolving economy:

- 1) Provincially-licensed cannabis consumption sites. There should be different licensing categories for cafes, restaurants, comedy clubs, hotels and resorts, festivals, nightclubs, etc. It is recommended that spaces where cannabis can be consumed should be barred from also serving alcohol.
- 2) Provincially-certified testing laboratories for cannabis could become a primary site for innovation in the cannabinoid sciences, providing locations of world class research and

improving on models of cannabis testing and cannabinoid profiling that exist elsewhere. Testing labs could also provide a means of certifying cannabis produced by the local BC craft cannabis industry as safe for public consumption within the province, and permit that cannabis storefronts could source from this supply during the transitional period.

- 3) A provincial health inspection and compliance regime for value-added processors of cannabis should be enacted as soon as possible. This would take the existent human and knowledge capital in this field that give BC an edge in the industry and encourage it to professionalize and innovate. Regulating this sector early will stimulate the growth of new companies in the province that take the raw dried cannabis flower and refine it into numerous other products such as: oils, extracts, salves, beverages, edible products, transdermal patches. These are the products increasingly desired by the consumer in the maturing marketplace, and BC should maintain its existing advantage in this kind of product development so that BC companies become national and international leaders in this field.
- 4) A provincially monitored system of digital compliance can be developed that further stimulates technology innovation and ensures the province receives maximal tax revenues while exposing itself to minimal costs. There should be a free marketplace for software solutions for cannabis businesses that monitors the cannabis transfers from production, through to laboratory testing, to the processing companies, and finally to sale to the consumer at retail outlets. I suggest examining the potential of blockchain network protocol technologies, as they are ideally suited to providing for this kind of seed to sale verification system without the need to a chain of signatures, or a centralized warehousing system.

As the province moves toward a digital system for tracking seed-to-sale compliance, it is dangerous to give a government monopoly to a single company for this technology service, and it is unwise for the government to attempt to build a one-size fits all technology solution.<sup>3</sup> We are already working with Vancouver-based technology firms (Greenline Systems) to build a made-in-BC cannabis inventory management and Point-of-Sale system to serve our needs.<sup>4</sup> The province should engage with these companies to ensure a system that provides tracking and compliance for the province, but flexibility toward the users, depending on their business model and use. The certification standards required by the province can be built into a blockchain network protocol controlled by the government, and it can thereby distribute digital tokens to production license holders, which can easily transfer them through a chain of laboratories, processing companies and artisanal refiners, and to retail distributors to provide the province with a real-time ledger of transaction of the regulated plant from seed, to processing centre, to sale, in a way that is automated, and impossible to be hacked or tampered with, but that is also sleek, unintrusive, and does not require a large bureaucracy for compliance tracking and enforcement.

Thank you for considering this advice, please do not hesitate if I can be any further assistance, or to offer further elaboration on any of these ideas, or to point the Secretariat in the direction of further information.

All best wishes,

Alex Robb,

General Manager,  
Trees Dispensary

250 891 5971  
alex@treesdispensary.com

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<sup>3</sup> See, for example, problems that have arisen in Washington State as a result of this strategy.  
<https://www.leafly.com/news/industry/washingtons-cannabis-tracking-snafu-could-disrupt-sales>,  
retrieved October 31, 2017.

<sup>4</sup> See <https://getgreenline.co/>



# **The Safe and Effective Regulation and Distribution of Medical Cannabis in British Columbia**

## *Naturopathic Physicians' Potential Role in Enhancing Access*

### **True Leaf Medicine**

Dr. Chris Spooner B.Sc. ND

True Leaf Medicine International is a Licensed Producer (LP) applicant under the Access to Cannabis for Medical Purposes (ACMPR). The company is focussed on medical cannabis but would like to use this opportunity to bring attention to possible scenarios with regards to distribution models.

Currently, the access to medical cannabis relies on prescriptions obtained through gatekeeper health professionals, specifically Medical Doctors and Nurse Practitioners. These professionals are few in numbers and we foresee that patients will begin to forego working with a MD or NP and will access cannabis through the recreational distribution sites. Our submission respectfully submits that Naturopathic Physicians would be appropriate additions to the list of health professional gatekeepers and the reasons why we believe this to be so.

While the focus has been on recreational cannabis, how medical cannabis is to be regulated and distributed remains unclear. It must be recognized that cannabis is a complex plant and that the strains of the plant that will be available recreationally will not be appropriate for medical use due to content of the psychotropic compound,  $\Delta^9$ -tetrahydrocannabinol (THC), which is higher in recreational strains. Patients seeking cannabis for medicinal purposes are looking for strains with higher content of the non-psychoactive cannabinoids, such as cannabidiol (CBD), as well as oral forms for ingestion.

Patients who use medical cannabis are very often dealing with complex health issues and have resorted to medical cannabis after trying, and failing, numerous other therapies. As a matter of public safety, these patients deserve a dedicated healthcare professional who is willing and able to counsel them effectively while understanding the complexity of using herbal medicines and pharmaceuticals together. Various court decisions have noted that patients who wish to access medical cannabis have experienced significant obstacles. While supply is being addressed through the Access to Cannabis for Medical Purposes Regulations (ACMPR) and Licensed Producer (LP) system, there will continue to be a bottleneck in access due to the limited numbers of nurse practitioners and medical doctors currently prescribing medical cannabis.

The position of the Canadian Medical Association, (CMA), is that medical doctors should not be the gatekeepers for a substance that has not gone through the established regulatory review process, as required by all other drugs. The CMA has strongly recommended that the physicians of Canada not participate in dispensing marijuana under existing regulations and warns that those who do, do so at their own professional and legal peril. The CMA maintains that the legislation essentially asks doctors to perform an act that is outside of their knowledge and expertise and asks them to perform a function that they, arguably, do not consider medical in nature.

As the provincial government decides how best to regulate the distribution of cannabis, the author would request and encourage the Ministry of Health to consider recognizing naturopathic physicians as another gatekeeper to prescribe and dispense medical cannabis. As an established profession under the Health Professions Act, the necessary legislative framework for regulating access, compounding and dispensing already exists.

The College for Naturopathic Physicians, established under the Health Professions Act with the mandate to protect the public, has both the record of strong oversight and the experience with herbal medicine that should be used as the foundation for regulated access for patients choosing to use medical cannabis. Under the Health Professions Act and the Naturopathic Physicians Regulation, quality control of extracts and concentrates can be developed, creating an opportunity to regulate methods of extraction that are the primary route of administration for the majority of medical cannabis users.

The process could be relatively straightforward and the government needs only to engage the College and request the creation of standards, limits and conditions for compounding and prescribing medical cannabis. As was done with prescribing authority, a certification process can then be developed which would further ensure regulatory oversight.

Regulated naturopathic physicians could safely and easily expand legitimate patient access to medical cannabis. With a documented history of robust regulation and established prescribing authority in BC, the necessary mechanisms for effective regulation already exist.

These include:

**1. An established and well-functioning regulatory college with public members appointed by the Minister of Health.**

The College of Naturopathic Physicians of BC is a well-established and respected regulatory body that is looked to for guidance as other jurisdictions move to regulate naturopathic physicians. By permitting the College to regulate the prescribing of medical cannabis by naturopathic physicians, regulatory colleges of other health professions that are less comfortable with doing so may derive some relief from not being the sole gatekeepers to medical cannabis.

**2. Existing standards limits and conditions for scheduled medications,** scheduled botanical medicines and compounding and dispensing of said substances.

**3. A government mandated multidisciplinary committee, the Pharmacopoeia, Diagnostic and Referral (PDR) Committee,** evaluates which new drugs may be added to the formulary. This multidisciplinary committee is composed of representatives from the medical, pharmacist and naturopathic professions, as well as a government appointed representative and an appointed public board member.

**4. An established and effective public complaints process and Inquiry Committee.** The College of Naturopathic Physicians of British Columbia protects the public interest by ensuring that

naturopathic physicians in British Columbia practice safely, ethically, and competently. The College protects the public by receiving and investigating complaints about naturopathic doctors in British Columbia under Part 3 of the Health Professions Act.

**5. Mandated collaborative practice with other regulated health professions.** The requirement for inter-professional collaboration, inherent in the BC Health Professions Act, will ensure that patient continuity of care is the priority and that patients will be able to build health care teams that meet their needs and will communicate amongst health care providers.

**6. Naturopathic physicians have the training and are familiar with the subtleties of prescribing plant based medicine and the science involved in the manufacturing of plant based medicines.** R. v. Mernagh, a pivotal Ontario Superior Court decision, released on April 11, 2011, acknowledged that medical “doctors do not normally deal with herbal medicines. Their training consists mainly of prescribing pharmaceutical products that have gone through the regulatory drug review process. They know and understand this system and trusted scientific rigour. Naturopathic doctors, on the other hand, have experience and expertise in dealing with complementary and alternative remedies, including herbal remedies, and may be in a better position to assist people who use cannabis for medicinal purposes”. Naturopathic physicians are trained in the pharmacognosy of plant based medicine and are well versed in plant extracts and concentrates.

Regulated naturopathic physicians have the legislation and scope of practice to safely expand legitimate patient access to medical cannabis. The profession is an alternative to the exclusive appointment of doctors as gatekeepers. The very nature of naturopathic training, includes a more extensive knowledge of alternative forms of medicine. With a documented history of robust regulation and prescribing authority in BC, it is submitted that the College of Naturopathic Physicians of BC could effectively regulate naturopathic doctors who wish to medical cannabis to patients seeking to use it as part of their healthcare. The benefit to government is the establishment of a regulatory framework that falls under the jurisdiction of the Ministry of Health and the mandate of protection of the public inherent in the Health Professions Act.

Thank you for your consideration of this submission.

Respectfully submitted

A handwritten signature in black ink, appearing to read 'Chris Spooner', with a large, stylized flourish extending from the end.

Dr. Chris Spooner B.Sc. ND

### **About the Author**

Dr. Chris Spooner is a naturopathic physician in Vernon BC with 19 years experience in private practice. As a board member of the College of Naturopathic Physicians of British Columbia for over 8 years, adjunct faculty at three naturopathic colleges, he is very familiar with the regulatory function mandated by the Health Professions Act and the values of evidence based practice.

### **Conflict of Interest**

Dr. Spooner is a director for TrueLeaf International, a Licensed Producer (LP) applicant under the Access to Cannabis for Medical Purposes (ACMPR). As a member of the executive of the College of Naturopathic Physicians of British Columbia, he is aware of the need to separate advocacy for the profession with the regulatory function and the mandate to protect the public.

***This submission should be considered a private submission from a naturopathic physician in private practice who experiences daily, the confusion and challenges patients face with regards to accessing medical cannabis. It is not a board approved submission, though it is informed by Dr. Spooner's experience in the area of profession regulation.***

### **References**

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September 26, 2017

**RE: BC Cannabis Regulation Engagement**

Vancouver Coastal Health's Medical Health Officers support the legalization and regulation of cannabis. Please find below our submission to the British Columbia Cannabis Regulation Engagement.

Firstly, we strongly recommend that the BC government state clearly that the goal of provincial cannabis regulation is to reduce public health harms associated with recreational cannabis consumption, particularly amongst youth and vulnerable populations. Regulatory strategies necessary to achieve this goal must ensure reduction over time of youth consumption of cannabis, increasing age of first consumption, and overall reduction in population consumption of cannabis compared to current baseline levels.

To achieve this, we support the recommendations outlined in the November 2011 BC Health Officers' Council Report: *Public Health Perspectives for Regulating Psychoactive Substances* (<https://healthofficerscouncil.files.wordpress.com/2012/12/regulated-models-v8-final.pdf>), which recommends strict public health regulations to minimize population harms. However, to date in Canada, no psychoactive substance has been successfully regulated under such a framework, and in particular those substances that have been legalized (e.g. tobacco, alcohol) are responsible for the largest population harms. This is due to the tremendous profit margins associated with legalization of psychoactive substances, and the ability of industry to develop ways of marketing and promoting their product that circumvent public health regulations. The medical and recreational cannabis industry in North America is already a multi-billion dollar business, and we anticipate a similar approach to marketing when legalization occurs in Canada. For these reasons, and because of the lessons learned in other jurisdictions where cannabis legalization has occurred, we strongly recommend a more rather than less regulated environment for legalization. It is significantly easier to start with a highly regulated environment and move to a more permissive environment if evaluation indicates that this is warranted. As we have learned from decades of work in tobacco control, liberalizing the framework is relatively simple, while introducing further restrictions much more difficult once a model is established.

We recommend that the BC government enact strict standards in areas of provincial jurisdiction and enable municipalities and local governments to set stricter regulatory standards within their jurisdictional powers to address local issues. As an example, provincial regulations should enable municipalities to regulate the number and density of outlets based on local criteria.

We recommend that the BC government commit to implementing valid monitoring and evaluation of public health indicators and ensure that regulation is flexible enough to adjust to emerging evidence.

We recommend that government cannabis revenues be dedicated in a standalone stream for addressing drug use-related health and social problems, and not be available for funding other government programs. Portions of such revenues should be available to all levels of government involved in addressing such harms – e.g. to support local school board programming to increase youth resiliency and reduce youth drug use and associated harms.

**Minimum age**

We recommend setting the minimum age for sale at 21 years, with identification required for purchase. Cannabis has adverse effects on brain development, which begins prenatally and continues through

adolescence until the early 20s. It affects brain development in adolescence in a dose-dependent fashion, and impairs memory, ability to learn and is associated with onset and recurrence of psychotic illness. Cannabis also impairs driving ability, and those aged 16-25 years already experience the second highest rate of fatality from motor vehicle crashes in British Columbia. Minimum age for purchase is an essential component of efforts to reduce harms in this age group. While there may be a desire by others to align the minimum age for purchase with that for alcohol sales, we strongly recommend against this, as it is not the best option for minimizing harm among youth. Of note, as public health experts we also support raising the minimum age for tobacco purchase to 21 years as has been done in other jurisdictions.

### **Personal possession limits**

We recommend setting a maximum cannabis amount for sale and/or personal possession designed to limit secondary sale, especially secondary sale to those below the minimum legal age. No possession should be allowed on school grounds. A consistent possession limit across provinces and territories would make it easier for the public to understand and improve compliance, therefore we encourage the BC government to engage in this discussion with provincial counterparts.

### **Public consumption**

Public smoking and/or vaping of cannabis should be subject to the same restrictions as those placed on tobacco and vapour products in the Tobacco and Vapour Products Control Act, including prohibition of indoor smoking/vaping venues such as “vapour lounges”.

In addition, we recommend prohibiting smoking and/or vaping within moving vehicles and multi-unit social housing units and outside on patios and in playgrounds, parks and public beaches as well as outdoor events such as festivals and markets.

Enforcement efforts for public consumption should be focused on limiting public intoxication and limiting exposure to second-hand smoke/vapour, as opposed to banning all forms of public consumption.

Setting restrictions for public cannabis consumption at the same or higher level as other smoking and vaping laws will improve the enforceability of such restrictions for both tobacco and cannabis. There should not be exceptions to these rules for medical cannabis consumption.

### **Drug-impaired driving**

There is evidence that cannabis intoxication affects driving in a dose-related manner. However, studies linking cannabis consumption and culpability in motor vehicle collisions have been weaker than the corresponding studies for alcohol. As opposed to blood alcohol concentrations (BAC), blood concentrations of THC are not as well correlated with current levels of intoxication. In fact, psychomotor effects of cannabis may persist after THC levels are undetectable. Complicating the picture further, cannabis users with high levels of tolerance may not be as impaired as more naïve users.

Notably, combined alcohol and cannabis use can have dramatic effects on driving performance. Studies examining use of small amounts of cannabis with a BAC under the legal limit have demonstrated levels of impairment equivalent to much higher BACs.

The federal government has proposed creation of three new per se offences: having at least 2 ng but less than 5 ng of THC/ml blood within 2 hours of driving, having 5 ng of THL/ml blood within 2 hours of driving, and having a combination of BAC of 50 mg/100mL or more and >2.5 ng THC/ml blood. We support the use of per se limits for licensed drivers and recommend administrative penalties rather than extensive criminal sanctions. We strongly support the per se limit on combining alcohol and cannabis and recommend strengthening this at the provincial level to a zero-tolerance policy for use of any amount of alcohol and cannabis together within two hours of driving. We also recommend a zero-tolerance policy for cannabis and driving during the graduated licensing program.

To further develop the body of evidence around cannabis-impaired driving, we recommend that the province invest in high quality technology to test for THC and metabolites in drivers, and continue to evaluate per se limits as evidence accrues.

### **Personal cultivation**

Personal cultivation regulations should permit growing for personal use only. Individual growers should be prohibited from selling to the general public and distributors, and from manufacturing cannabis products for sale. We recommend a limit on number of plants to four or fewer. Enforcement should target commercial sales of personally cultivated product, particularly high risk products like edibles and concentrates.

### **Distribution and retail models**

We *strongly* recommend a state monopoly model for cannabis sales. Private retail will create strong commercial interests in increasing consumption. Experience from other psychoactive substances demonstrates that private retail outlets generally perform more poorly than government run outlets in maintaining standards of responsible sales. In 2015 Vancouver Coastal Health Medical Health Officers supported a regulatory framework for a private store-front retail model in Vancouver because it was an improvement over the status quo, i.e. it brought more regulation and control into an unregulated market, using the tools available for business licenses at the municipal level at that time. However, with federal legalization and regulation, the ideal model would look more like the Uruguay model – exclusive sales from specifically developed government outlets. Experience to date with the business license model in Vancouver also indicates that the goal of private retail outlets is to promote their product and increase sales, at odds with a government goal of reducing public health harms associated with cannabis consumption. This can only be achieved with a model of sales through government outlets, which still allows product to be legally available for adult consumption.

If the provincial government does not choose to use a government monopoly model, sale from standalone regulated outlets is still strongly preferable to other storefront retail outlets (i.e. we recommend against integration of cannabis sales into other types of retail outlets). In particular, we strongly recommend against joint sale of cannabis and alcohol, as using such substances together poses increased health and safety risks. Ideally, retail outlets should be limited to selling only cannabis, and must not be co-located with outlets selling alcohol.

Regulations should stipulate that municipalities have the right to decide whether they permit outlets in their jurisdiction, as well as their number, density and location. If provincial regulations specify density and location criteria, these should be seen as a minimum, and regulation should enable municipalities to impose further restrictions based on local criteria.



The outlets themselves should have regulated signage that alerts consumers to health and safety risks. Signage promoting health benefits or marketing products should not be permitted. Outlets should have trained staff and security that minimize the ability of minors to purchase. Government should provide funding for monitoring compliance with age restrictions for sales, as is done currently for tobacco. There should be limits on the amount purchased at one time by any one individual.

As marketing and promotion will have strong potential to increase demand for cannabis products, we recommend that all advertising, promotion, and sponsorship of cannabis products be prohibited. Such regulations should encompass any persons or entities potentially responsible for production, placement, or dissemination of such promotion. This includes promotion through advertisements, sales/distribution agreements, promotional packaging, toys or candy that mimic cannabis products, association with events/other products, brand extensions, use of cannabis company-associated words/colours/symbols, and promotion of cannabis-associated products. Critically, no claims of health improvement or benefit should be permitted on the package, elsewhere in the retail environment, or in advertisements.

Conversely, information on health risks must be clearly available to consumers with each purchase, and should include risks to specific populations, including youth, pregnant women and those with mental illness, as well as appropriate warnings and risk of side effects to all consumers, such as warnings against driving or operating machinery, and the risk of dependency with heavy use.

Cannabis packaging for sale should be plain, unappealing to children, and child resistant. Product packaging should support the objectives of minimizing product promotion and providing appropriate health, safety and harm reduction information to consumers. Ideal packaging would be standardized containers with one color and font, with no distinction between brands other than the name of the brand and sub-brand. Health and safety warnings should figure prominently, and package inserts/additions that allow brand promotion should be prohibited. The most prominent cannabinoids and their concentrations should be identified, and no health claims should be permitted on the package. Although federal standards will likely be developed for many of these elements, the BC government may choose to enhance them.

### **Other recommendations**

**Potency:** To reduce harms, regulations should discourage the production, sale and consumption of higher potency cannabis products. Limits on potency of products for retail should be set by government and should vary by formulation, to account for the variability of potency by formulation and mode of consumption. All products should be tested for cannabinoid content and contaminants. The content should be verified by regular testing and be clearly labeled on packaging, to provide predictability and enable safe dosing decisions.

To further encourage the use of lower potency products, prices should increase with potency, up to a maximum set by government. There should be minimum prices per 'standard dose,' and sales of sample sizes should not be permitted. Testing for potency, clear labeling of active ingredient content, public and vendor education about potency, health and safety risks and harm reduction information displayed on packaging and at point of sale are also recommended.

**Forms:** Forms of cannabis should be limited to loose bud/leaf preparations, capsules, oils and tinctures, and all formulations should be subject to government approval. Other formulations, including

edibles such as candies and baked goods, topical products, and ‘concentrates’ should not be permitted for sale, as these products pose substantial risks.

Edible products containing cannabis can create dosing difficulties as consumers can find it challenging to divide food products accurately or may be tempted to consume more than planned. Time to effect and length of effect are both substantially increased with oral consumption compared to smoking or vaping, making it more likely that inexperienced users use more than desired and experience effects for longer than planned. During 4/20 events in Vancouver in 2015, of the 65 cannabis intoxications requiring emergency department admission at one hospital, 76% were associated with consumption of edible products. Edible products are also more likely to result in poisonings, especially among young children. Of the 1,969 cases of cannabis exposures in children less than 6 years old reported in the National Poison Data System in the United States between 2000 and 2013, 75% were exposed through ingestion. The mean age of these children was 1.81 years of age; 18.5% required hospitalization and 6.9% were admitted to a critical care unit. There was a 609.6% increase in such exposures in U.S. states that legalized cannabis for medical use prior to 2000. Thus, childhood poisoning from edibles is a well-documented risk that can be limited by banning the retail sale of edible products. And, critically, edible products also provide a powerful mechanism for marketing cannabis, particularly to young people. As we learned from the tobacco and e-cigarette industries, marketing products to youth using candy flavourings is a powerful and successful tool to increase use in the age group in whom we aim to reduce it.

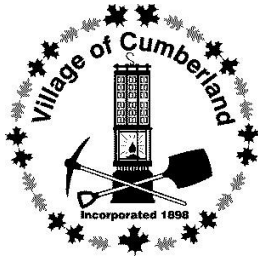
Topical products pose some similar risks. With a range of ingredients that increase appeal; these products are well suited to marketing to new users. Since trans-dermal absorption is much less efficient than ingestion or inhalation, concentrations of cannabinoids in topical products may need to be far higher than those in other “infused” products and therefore pose a higher risk of poisoning if ingested by children.

Finally, concentrates, also called dabs, wax, shatter, and butane hash oil, should not be permitted for sale. These products are highly concentrated cannabis extracts with strong, immediate effects. These products provide far higher doses than could be previously achieved using smoked plant components, and thus are associated with higher risk side effects. Many of these products have substantial solvent residues, which are independently associated with a variety of health risks. More research is needed to fully understand the risks associated with this type of formulation.

Respectfully submitted by:

Patricia Daly MD, FRCPC  
Chief Medical Health Officer  
*on behalf of Vancouver Coastal Health Medical Health Officers*

Contact: [Patricia.Daly@vch.ca](mailto:Patricia.Daly@vch.ca)  
604-675-3924



# Corporation of the Village of Cumberland

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Cumberland, BC V0R 1S0  
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File No. 0400-20

October 25, 2017

Sent via email only: [cannabis.secretariat@gov.bc.ca](mailto:cannabis.secretariat@gov.bc.ca)

Cannabis Legalization and Regulation Secretariat  
Ministry of Public Safety and Solicitor General  
PO Box 9285 Stn Prov Govt  
Victoria, BC V8W 9J7

To the Cannabis Legalization and Regulation Secretariat,

**Re: Request for Cannabis Submissions**

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At the October 23, 2017 regular meeting of Cumberland Council, Council considered the correspondence from Minister of Public Safety and Solicitor General Mike Farnworth regarding submissions to the Cannabis Legalization and Regulation Secretariat, and unanimously adopted the following motion:

THAT Council submit the following comments in a covering letter to the Cannabis Legalization and Regulation Secretariat, and to UBCM's Joint Provincial – Local Government Committee on Cannabis Regulation, along with the Village of Cumberland Medical Marijuana Dispensaries Policy and the Village of Cumberland Marijuana-Related Business License Regulation Bylaw No. 1040:

- Minimum age to buy, grow, publically possess non-medical marijuana – Council supports the minimum age of 19, as in Cumberland's municipal policy
- Personal possession for adults – Council supports the proposed 30-gram limit
- Personal possession for youth – Council supports no criminalization for possession
- Public consumption – Council supports the option of extending existing restrictions for tobacco to smoking and vaping cannabis in public
- Drug-impaired driving – Council does not support overhauling existing impaired driving provisions, since it is already prohibited under the Criminal Code, and since police already have the power to issue a 24-hour roadside prohibition for impaired driving
- Personal cultivation – Council supports giving local government the ability to regulate personal cultivation
- Distribution model – Council supports the government distribution model

- Retail – Council supports the proposed public/private retail system, and suggests inclusion of cooperative and social enterprise models, which may keep revenue in the community to fund addiction services

Yours sincerely,

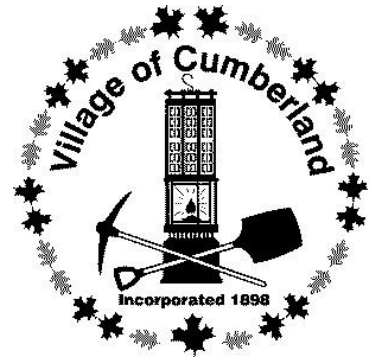
A handwritten signature in blue ink, appearing to read 'A. Proton'.

Adriana Proton  
Deputy Corporate Officer

Cc: Joint Provincial – Local Government Committee on Cannabis Regulation

Encl: Village of Cumberland Medical Marijuana Dispensaries Policy  
Village of Cumberland Marijuana-Related Business License Regulation Bylaw No.  
1040

# COUNCIL POLICY



<p>Title: Medical Marijuana Dispensaries</p> <p>Authority: Planning Department Adopted Date: November 14, 2016 Amended Date:</p>	<p>No.: 9.3 Section: Planning Motion No. 16-551</p>
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## Policy Statement

Council may consider Medical Marijuana Dispensaries to be located in Village Core Commercial Mixed Use One Zone (VCMU-1) in the Village of Cumberland as a temporary use subject to a Temporary Use Permit and under the regulations contained within Business Licence Bylaw No. 896, 2009, and Marijuana-Related Business License Regulation Bylaw No. 1040, 2016, as amended from time to time, as well as its legal authority under the *Local Government Act* and *Community Charter*.

## Purpose

The purpose of this policy is to outline the criteria to be considered by Council as part of a Temporary Use Permit (TUP) Application to allow for a Medical Marijuana Dispensary within the Village Core Commercial Mixed Use One zone (VCMU-1) of the Village of Cumberland Zoning Bylaw No. 1027, 2016. This policy is intended to guide applicants and Village staff as part of the application process but it is not intended to fetter Council's discretion when dealing with individual TUP applications, each of which will be evaluated on its own merits.

This policy was established in response to the anticipated legalization, or partial legalization, of marijuana by the federal government. It is intended to address potentially adverse community impacts of storefront Medical Marijuana Dispensaries, including inappropriate exposure of minors to marijuana and undesirable concentration of Medical Marijuana Dispensaries.

It is noted by Council that the Village of Cumberland has no ability to address the legalization of marijuana, and the RCMP with the Public Prosecution Service of Canada on behalf of Her Majesty the Queen in Right of Canada maintains the jurisdiction to enforce against any marijuana related businesses that the Federal Crown considers illegal until such time as the federal criminal law is changed.

## Policy

### Definitions

*Applicant* means an applicant for a TUP that would allow for a storefront Medical Marijuana Dispensary within the VCMU-1 zone.

*Medical Marijuana Dispensary* means the use of lands, buildings or other structures for dispensing selling or distributing marijuana, or related controlled substances and derivatives, other than a Medical Marijuana Facility (note that this is a “Marihuana Dispensary” in the Village of Cumberland Zoning Bylaw No. 1027, 2016).

*Medical Marijuana Facility* means the use of buildings and other structures for the purpose of growing, processing, packaging, testing, destroying, storing or shipping medical marijuana as authorized by a license issued under the Federal *Marihuana for Medical Purposes Regulations* or the *Access to Cannabis for Medical Purposes Regulations* (note that this is a “Medical Marihuana Facility” in the Village of Cumberland Zoning Bylaw No. 1027, 2016).

### TUP considerations

1. Medical Marijuana Dispensaries should not be considered appropriate for a Temporary Use Permit except in a retail location (VCMU-1 Zone) to minimize nuisance to nearby residential neighbours.
2. The sale of cannabis or other substances under the *Controlled Drugs and Substances Act* in edible form, including beverage form, in a Medical Marijuana Dispensary is not permitted; however, this provision does not prevent the sale of tinctures, capsules or edible oils, in sealed containers.
3. A Medical Marijuana Dispensary must be at least 150 metres (in a straight line from closest lot line to closest lot line) from any public or independent community, elementary, middle or secondary school.
4. Medical Marijuana Dispensaries must be limited to a maximum total of two in the Village and each one must be located at least 50 metres (in a straight line from closest lot line to closest lot line) from another lot where a Medical Marijuana Dispensary has been permitted, whether it is active or not.
5. The off-street parking requirements applicable to a medical clinic and/or retail stores as outlined in Part 6 Table 6.3.3 of the Village of Cumberland Zoning Bylaw No. 1027, 2016 apply to Medical Marijuana Dispensaries, depending on the amount of other products and paraphernalia sold.
6. No more than one Medical Marijuana Dispensary should be allowed per lot.
7. A TUP for Medical Marijuana Dispensary should not be approved for a term greater than one year, with the possibility for an additional one year extension, with the approval of Council.

**Application Process**

1. The applicant must undertake all of the standard processes required for a TUP application as outlined in Development Procedures and Fees Bylaw No. 1008, 2014.
2. Development Procedures and Fees Bylaw No. 1008, 2014 contains within it the ability for the Chief Administrative Officer to request additional information in accordance with the Corporation of the Village of Cumberland Development Approval Information Bylaw No. 809, 2005, including the following:
  - The provision of information that he/she deems necessary to properly assess the impact of an application's proposed activity or development.
3. In addition to the requirements contained in legislation and Village bylaws, the applicant must provide public notification via a mailed notice of the proposed Medical Marijuana Dispensary location to all households and land owners in the Village of Cumberland, at the applicant's expense. The Notice's form and content is to be prepared by the applicant, but subject to approval by the CAO prior to mailing.



## CORPORATION OF THE VILLAGE OF CUMBERLAND

### BYLAW NO. 1040

The purpose of this Bylaw is to provide for the regulation of marijuana-related businesses including to minimize any adverse effects that operation of such businesses may have on the safety, health and well-being of the community in anticipation of changes to the federal laws regarding distribution of marijuana.

#### PART 1 TITLE

1. This Bylaw may be cited as the "Marijuana-Related Business License Regulation Bylaw No. 1040, 2016."

#### PART 2 DEFINITIONS

1. In this Bylaw:

<b>CAO</b>	means the Chief Administrative Officer of the Village and includes anyone authorized by Council to act on his behalf.
<b>Marijuana</b>	means cannabis as defined in the <i>Controlled Drugs and Substances Act</i> and includes any products containing cannabis.
<b>Medical Marijuana Dispensary</b>	means the use of land, buildings or other structures for dispensing, selling or distributing marijuana, or related controlled substances and derivatives, other than a <i>medical marijuana facility</i> , and in particular carrying on of activity where <ol style="list-style-type: none"><li>a) the use of marijuana for medical or any other purposes is advocated or promoted;</li><li>b) marijuana or paraphernalia used in the consumption of marijuana are sold or otherwise provided to persons for any purpose; and</li><li>c) marijuana is stored for a purpose of sale or distribution</li></ol> (note that this is a "Marihuana Dispensary" in the Village of Cumberland Zoning Bylaw No. 1027, 2016).
<b>Medical Marijuana Facility</b>	means the use of <i>buildings</i> and other <i>structures</i> for the purpose of growing, processing, packaging, testing, destroying, storing or shipping medical marijuana as authorized by a license issued under the Federal <i>Marihuana for Medical Purposes Regulations</i> or the <i>Access to Cannabis for Medical Purposes Regulations</i> .  (note that this is a "Medical Marihuana Facility" in the Village of Cumberland Zoning Bylaw No. 1027, 2016).
<b>Shareholder</b>	means a shareholder with a 10% or greater interest.

### **PART 3 APPLICATION OF THIS BYLAW**

1. The provisions of this Bylaw do not apply to production and distribution of marijuana licensed by Health Canada under the Marihuana for Medical Purposes Regulations or the Marihuana Medical Access Regulations of the *Controlled Drugs and Substances Act* (Canada).
2. The Corporation of the Village of Cumberland Business License Bylaw No. 896, 2009 (the "Business License Bylaw") also applies to Medical Marijuana Dispensaries regulated by this Bylaw, except that the fees are those required under this bylaw.

### **PART 4 BUSINESS LICENSES**

1. **Business Licenses required for Marijuana-Related Businesses**
  - a) A person must not operate a Medical Marijuana Dispensary unless the person holds a valid license issued under the provisions of this Bylaw and the Business License Bylaw.
  - b) A person applying for the issuance or renewal of a license to carry on a Medical Marijuana Dispensary must:
    - i) complete and submit an application for a license in a form satisfactory to the Village;
    - ii) pay to the Village the applicable license fees prescribed under Schedule A attached to this Bylaw;
    - iii) provide a security plan for the premises that, in the opinion of the CAO, describes adequate security measures to mitigate risk of theft or robbery at the premises;
    - iv) provide proof of a security alarm contract that includes monitoring at all times during the period for which the license is being sought;
    - v) provide proof of ownership or legal possession of the premises;
    - vi) provide contact information for a responsible person or persons available to be contacted at any time;
    - vii) provide a list of the names of all staff, together with a copy of photo identification for each staff member; and
    - viii) provide a current police information check for:
      - 1) the applicant
      - 2) if the applicant is a corporation, each shareholder, officer and director, and
      - 3) each on-site manager.

## **2. Authority to Refuse or Suspend a License**

In addition to any power of refusal, suspension or revocation of licenses contained in the Business License Bylaw, the CAO may suspend, revoke or refuse to issue or renew a license for a Medical Marijuana Dispensary if the applicant or licensee, or a shareholder, officer, director or on-site manager of the applicant or licensee:

- a) was convicted anywhere in Canada of an offence involving dishonesty;
- b) was convicted, found guilty of, or liable for any contravention or offence relating to the conduct of a business similar to that to which the license relates;
- c) was convicted, found guilty of, or liable for any contravention or offence, in Cumberland, Courtenay, Comox, or the Comox Valley Regional District against this bylaw or against any bylaw authorizing the issuance of a business license or regulating the conduct of a business; or
- d) was guilty of misrepresentation, nondisclosure or concealment of any material fact relating to the subject matter of the license or required to be stated in, the application.

For greater certainty, provisions regarding notice, reconsideration and all other procedures under the “Business License Bylaw” are applicable to Medical Marijuana Dispensaries regulated by this Bylaw.

## **PART 5 - OPERATING REQUIREMENTS**

### **1. Restrictions for all Medical Marijuana Dispensaries**

A person carrying on a Medical Marijuana Dispensary must not:

- a) allow a person under the age of 19 to enter or remain on the premises;
- b) advertise or promote the use of marijuana to a person under the age of 19, including through product displays, names, logos or other signage;
- c) allow a person to smoke, vape, consume or otherwise ingest marijuana or products containing marijuana on the premises;
- d) sell cannabis or other substances under the *Controlled Drugs and Substances Act* in edible form, including beverage form; however, this provision does not prevent the sale of tinctures, capsules or edible oils, in sealed containers.
- e) be open for business between the hours of 8pm and 7am the next day;
- f) mail or deliver any products from the business premises; and
- g) use the premises to carry on business other than the Medical Marijuana Dispensary and accessory uses.

## **2. Requirements for all Medical Marijuana Dispensaries**

A person carrying on a Medical Marijuana Dispensary **must**:

- a) prominently display a sign on the premises indicating that no persons under 19 years of age are permitted on the premises;
- b) post health and safety warning signs on the premises;
- c) ensure that at least two employees are present on the premises at all times when the business is open to the public, including one manager;
- d) ensure that windows on any street frontage of the premises are not blocked by translucent or opaque material, artwork, posters, shelving, display cases or similar elements;
- e) conduct business within a completely enclosed building, with the doors remaining closed when not in use for immediate ingress and egress;
- f) install and maintain an air filtration system that effectively minimizes odour impacts on neighbouring properties;
- h) implement the following security measures:
  - i) install video surveillance cameras that monitor all entrances and exits and the interior of the business premises at all times with a high definition resolution;
  - ii) retain video camera data for at least 21 days after it is gathered;
  - iii) install a security and fire alarm system that is, at all times, monitored by a licensed third party; and,
  - iv) not allow marijuana, products containing marijuana or other valuables to remain on the premises when the business is not open to the public, unless the marijuana, products and other valuables are securely locked in a safe on the premises.
- i) promptly bring to the attention of the CAO:
  - i) the name of any new on-site manager, officer, director or shareholder of the licensee;
  - ii) any criminal charge laid or pending against the licensee or an on-site manager, officer, director or shareholder of the licensee; and
  - iii) a current police information check, birth certificate and most recently issued driver's license and passport for any new on-site manager, officer, director or shareholder of the licensee.

## **PART 6 — GENERAL PROVISIONS**

### **1. Offences**

- a) A person commits an offence and is subject to the penalties imposed by this Bylaw, the Ticket Bylaw, and the *Offence Act* if that person
  - i) contravenes a provision of this Bylaw,
  - ii) consents to, allows, or permits an act or thing to be done contrary to this Bylaw, or
  - iii) neglects or refrains from doing anything required by a provision of this Bylaw.
- b) Each day that a contravention of a provision of this Bylaw continues is a separate offence.

### **2. Schedule**

The attached Schedule A forms part of this Bylaw.

### **3. Severability**

Each part of this Bylaw shall be severable. If any part of this Bylaw is held to be illegal or invalid by a Court of competent jurisdiction, that part may be severed and the illegality or invalidity may be severed from the Bylaw without affecting the validity of the Bylaw or any portions of the Bylaw or remaining parts.

## **PART 7 ADMINISTRATION & ENFORCEMENT**

- 1. The Chief Administrative Officer, Corporate Officer, Finance Officer, Manager of Protective Services, Manager of Operations, and Building Inspector may administer and enforce this bylaw.
- 2. Any person who contravenes any provision of this bylaw is guilty of an offence and is liable on summary conviction to a fine of not less than \$2,500 and not more than \$10,000 in accordance with Section 263 of the *Community Charter*.

<b>READ A FIRST TIME THIS</b>	<b>11th</b>	<b>DAY OF</b>	<b>October</b>	<b>2016.</b>
<b>READ A SECOND TIME THIS</b>	<b>11th</b>	<b>DAY OF</b>	<b>October</b>	<b>2016.</b>
<b>READ A THIRD TIME THIS</b>	<b>11th</b>	<b>DAY OF</b>	<b>October</b>	<b>2016.</b>
<b>RESCIND THIRD READING THIS</b>	<b>24th</b>	<b>DAY OF</b>	<b>October</b>	<b>2016.</b>
<b>AMEND AT SECOND READING THIS</b>	<b>24th</b>	<b>DAY OF</b>	<b>October</b>	<b>2016.</b>
<b>READ A THIRD TIME AS AMENDED THIS</b>	<b>24th</b>	<b>DAY OF</b>	<b>October</b>	<b>2016.</b>
<b>ADOPTED THIS</b>	<b>14th</b>	<b>DAY OF</b>	<b>November</b>	<b>2016.</b>

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Mayor

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Corporate Officer

## Schedule A

<b>Marijuana-Related Business License Fees</b>	
<b>Application Fee</b> <i>Paid at the time of application</i>	\$1,250
<b>License Fee</b> <i>Paid when License is approved, prior to issuing</i>	\$3,250
<b>Annual License Fee</b>	\$3,250
<b>Special<sup>1</sup> Fire &amp; Safety Inspection</b>	\$250
<b>Special<sup>1</sup> Building Inspection</b>	\$180

Notes      1      *The first inspection is included in the Application Fee, however if subsequent inspection(s) or one requested or required at another time, this fee will be paid.*

October 27, 2017

Ministry of Public Safety and Solicitor General  
Attn: Cannabis Legalization and Regulation Secretariat  
PO Box 9285 Stn Prov Govt  
Victoria, BC  
V8W 9J7

**Re: Non-Medical Cannabis Legalization and Regulation in British Columbia**

The Council of the Village of Midway discussed the forthcoming legalization and regulation of non-medical cannabis in British Columbia, and the issues that are important to our community concerning this change. Council believes that non-medical cannabis should be regulated similar to alcohol and tobacco in the Province as outlined below:

*Minimum age* – The minimum age to buy, grow, and publically possess cannabis should be set at the age of 19, which is consistent with the minimum age for tobacco and alcohol, and is the BC age of majority.

*Personal possession (adults)* – Council agrees that limits need to be set on personal possession as a way to help law enforcement professionals distinguish between cannabis intended for personal use and illegal possession intended for the purpose of trafficking. This public possession limit should be consistent across the Province and Council does not take issue with the 30-gram limit established in Bill C-45.

*Public consumption* – Council agrees that existing restrictions on tobacco smoking and vaping should extend to cannabis smoking and vaping in that it should not be allowed in public spaces where tobacco smoking is currently prohibited. However, because the fundamental issue is impairment then smoking cannabis should also be restricted similar to alcohol consumption, and should only be allowed in designated public spaces (i.e. Cannabis lounges). Council knows this will be a difficult area to address as it will be difficult to regulate the public consumption of cannabis similar to both alcohol and tobacco simultaneously, and in time for legalization next year. Additionally, Council understands that it may be more practical, as highlighted in the Discussion Paper, to rely on public intoxication laws and disorderly conduct laws to manage intoxication issues related to public consumption. This will be an area that the Province will have to monitor and re-visit in the early stages of legalization to ensure the regulations are working.

*Distribution and retail systems* – The most logical answer for rural communities, who lack significant infrastructure for dedicated cannabis storefronts, is for non-medical cannabis to be sold in existing businesses such as liquor stores and pharmacies. Council is opposed to home-based cannabis businesses.



October 27, 2017

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**Re: Non-Medical Cannabis Legalization and Regulation in British Columbia**

*Amendments to road safety laws* – Council recognizes the need to address the risk that cannabis legalization could lead to increased impaired driving; however, they feel that law enforcement professionals are better able to determine the specifics of road side testing and related driving prohibitions and charges. That being said, public education and awareness will be key factors in helping the public better understand the risks and potential consequences of cannabis-impaired driving.

Council recognizes that cannabis legalization presents complex policy challenges for the Province and we appreciate the opportunity to provide input on the provincial regulatory framework for the legalization of non-medical cannabis.

Yours truly,

**VILLAGE OF MIDWAY**

Per:



Doug McMynn, Mayor



## **Submission Regarding Cannabis Legalization and Regulation in British Columbia**

### **SUBMITTED BY:**

The Western Convenience Stores Association

SUBMISSION DATE: October 27, 2017

I am writing on behalf of the Western Convenience Stores Association (WCSA) to encourage the cannabis secretariat to take note of lessons learned to ensure recreational cannabis products are sold through controlled, channels once their sale and consumption become legal.

Successful transition to a legal market will ensure that products can be kept out of the hands of youth, and that standards of quality can support safety for consumers and the general public. This will hinge on a few key features of the regulatory regime that is put in place. These features include pricing; product differentiation; sufficient distribution of legal products; the accommodation in regulation of emerging enhanced age verification technologies and techniques; and enforcement.

### **Pricing and taxation**

As we have learned in the context of tobacco sales and distribution, a delicate balancing act around taxation is necessary for governments to ensure that products are effectively sold through the controlled market. The federal Finance Minister has already noted that taxes on cannabis products should remain low enough to allow legal sales to displace existing illegal sales and we encourage British Columbia to bear this in mind as well.

### **Packaging**

A premise underlying legalization of cannabis is that consumption of the product is not as inherently injurious as the societal harm that is directly and indirectly associated with the existing illegal trade in cannabis. The challenge going forward is therefore to support growth within a legal industry and shrinkage of the illegal market.

With legalization, there will emerge standardized, pre-packaged products that bear explicit suppliers' brand markings and that do not require unique expertise in their handling and sale. Pre-packaged products should allow sufficient product differentiation and branding to help distinguish legal from illegal products. This will make them harder to counterfeit while providing the public with a guarantee of product standards of quality and, along with that, safety for consumers. Such packaging should also include safety features to prevent tampering and/or access by children.

## Distribution

Perhaps the most important feature of the emerging legal market is an adequate distribution system for the new range of legal products. If prohibition is ended for consumers, but the options to legally purchase products are too limited, the conditions for a boom in the supply of illegal products through the underground market will be created.

This is precisely what the province of Ontario is inviting through its recent proposal to limit supply to 150 government-owned sites by 2020. That distribution model will be vastly inadequate for Ontario and would ensure that the illegal market thrives as the most convenient option for many consumers. Today, it's easy to buy cannabis. If it is hard to buy from legal sellers tomorrow, people will just continue to buy it elsewhere.

When consumption is legalized, the channels of distribution must allow sufficient access to the corresponding legal products. The new legal industry must be as inclusive as possible or underground activity will persist and, potentially, thrive.

Convenience stores are served by a distribution system that supports the legal sale of a variety of controlled goods, such as tobacco, and are ready to adapt to include distribution of cannabis products as well. The stringent controls already in place to secure the collection of provincial and federal taxes on such products can accommodate any new products requiring similar controls — be they provincial or interprovincial.

Moreover, as found through a recent labour market study funded by the province of British Columbia,<sup>1</sup> working in a convenience store, especially one with a gas station, requires a more complex set of skills and more responsibility than is commonly thought. Employees are not simply cashiers or gas attendants. Their tasks are varied, complex and demand a high degree of accountability for compliance with government regulations regarding responsible retailing, health and safety, food and beverage preparation, and environmental protection. The framework for socially responsible retailing of cannabis is already well established.

Convenience stores are therefore well-prepared to handle the variety of quality-controlled products that will soon be entering the legal market. They successfully handle a variety of age-restricted products including alcohol in underserved or remote areas, and Health Canada studies confirm the strength of their commitment to age-testing. They are highly capable of safely handling legal cannabis products subject to the regulations federal and provincial governments put in place to control their sale.

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<sup>1</sup> This report may be found at [www.workbc.ca](http://www.workbc.ca)

Utilizing an already established and proven distribution chain will not only ensure broader access (and therefore the best chance to displace the illegal market) but also allow the government to achieve that goal in the most cost-efficient manner. The alternative of government monopolies for distribution would entail the high capital costs of setting stores which taxpayers would ultimately have to pay for. Achieving a moderately acceptable number of government owned stores within an acceptable timeframe for establishing a legal, controlled system would stress public coffers without any assurance of achieving its aims.

### **Enhanced age testing and security protocols**

The government should be aware that the movement toward cannabis legalization in North America has created growing interest in the development of new technologies to aid in the controlled distribution of legal cannabis products.

The Cannabis Act prohibits the sale of cannabis through a self-service display or vending machine of the traditional kind. However, emerging dispensing technologies can assist in both product selection and age verification.<sup>2</sup> Regulations governing the sale of legal cannabis products must be forward-looking enough to accommodate and thus encourage the further development of such technologies.

Moreover, the WCSA is in discussion with security experts to support development of a new training program to support the safe handling and sale of recreational cannabis.

### **Enforcement**

As long as governments encourage responsible product branding and standardization and resist the inclination to overtax, the need for enforcement should be minimal. The alternative is to quickly reach a tipping point toward net revenue loss as the need for enforcement increases as a result of escalating illegal sales.

In any case, resources required to combat the illegal sales of cannabis products should not simply divert existing resources away from other forms of tax evasion and associated criminal activity.

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<sup>2</sup> Alternatives for age-verification technologies are already in development. Jumio has developed an advanced age and identity verification platform: <https://www.jumio.com/> American Green has developed an example of verified vending technology using biometrics: [www.americangreen.com](http://www.americangreen.com). In Ontario, lottery terminals use government-issued ID to verify users' age and identity.

## Summary and Conclusion

On October 23, 2017 Colorado's Chief Medical Officer announced that "We haven't experienced any significant issues as a result of legalization."<sup>3</sup> In just a few short years much of the stigma associated with cannabis products will have disappeared because the era of prohibition will have come to an end. In order to ensure the successful transition from the existing illegal market to a controlled and secure legal market, officials need to craft regulations with a clear view to the future.

This will require suitable pricing, clear and responsible product differentiation, and a sufficient distribution network for the sale of legal products. The most logical regulatory path to success is one that accommodates enhanced age verification technologies and techniques through the convenience store channel. This will also address any concerns the public may have about socially responsible retailing.

Convenience retailers are experienced in handling other regulated products such as tobacco and, in some remote communities, alcohol. Their geographic reach ensures a ready-made and secure distribution channel to provide access to legal cannabis in every community. This would ensure taxes are collected and would maximize public safety by ensuring people have access to safe, regulated cannabis as opposed to black market products. As well, new security technologies, protocols and training can be put in place to support responsible, legal retailing and mitigate other possible risks.

Convenience stores can provide adequate legal supply of cannabis products across the province through the same distribution system that is in place to control sales of tobacco. In addition, new technological platforms can aid in age verification and additional protocols can be put in place in order to add an extra layer of security to the already strong procedures that are in place at convenience stores.

In the future, convenience stores should be allowed to sell legal cannabis products depending on demand in their local markets and subject to the regulations federal and provincial governments put in place to control their sale.

Medical cannabis dispensaries have already appeared across the country and are typically staffed by individuals qualified in the differentiation of various types and brands of product. Whether or not such dispensaries will be allowed to sell non-medical cannabis is yet to be

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<sup>3</sup> <http://www.cbc.ca/news/canada/prince-edward-island/pei-colorado-marijuana-wolk-1.4366892> Retrieved October 24, 2017

determined. Our concern is that all sellers of non-medical cannabis be subject to the same rules. The government should set the standards and invite any would-be retailers to meet them. It should avoid explicitly choosing winners and losers.

### **About the Western Convenience Stores Association**

The Western Convenience Stores Association (WCSA) was founded as a not-for-profit organization in 2002 to provide leadership for the industry on key issues affecting owners, operators, employees and customers in Western Canada, including Almost 3,000 sites in British Columbia. The WCSA is affiliated with the Canadian Convenience Stores Association, the National Convenience Distributors Association and regional associations in Quebec, Ontario and Atlantic Canada.

The WCSA is committed to assisting retailers and their staff in upholding the highest standards of professionalism and ethical conduct and to supporting public health and safety. As partners with government in the sale of age restricted products, our members take pride in their contribution to the continuing decline in tobacco consumption, particularly among youth, among whom it is at an all-time low.

Andrew Klukas  
President, Western Convenience Stores Association





Nov 1 2017

Ministry of Public Safety and Solicitor General  
Attn: Cannabis Legalization and Regulation Secretariat  
PO Box 9285 Stn Prov Govt  
Victoria, BC B8W 9J7

**Re: Submission regarding non-medical cannabis legalization and regulation from Ucluelet First Nation**

Dear Mike Farnworth,

Below is a submission from the Yuu?it?ath Government regarding our perspectives on the regulation of non-medical cannabis. This topic is very important to Yuu?it?ath (Ucluelet First Nation) since it has implications for community economic development and for the health and wellness of our citizens on- and off-Treaty Settlement Land. This submission should not be considered as completing obligations for consultation on this topic as Yuu?it?ath is a signatory of the Maa-nulth Treaty and British Columbia has an obligation to work directly with Yuu?it?ath on a government to government basis. We require the Province of British Columbia (B.C.) to strike a steering committee of First Nations to provide input on Provincial regulations and the roles that First Nations in B.C. will take in the recreational cannabis industry. Further, Yuu?it?ath specifically requires full engagement on all levels of the new legislation regarding the legalization of non-medical cannabis. This includes, but is not limited to, all opportunities that come with jurisdiction, such as growing and retail licenses, criminalization and taxation.

The B.C. Provincial government's approach to regulation of recreational cannabis is to focus on protecting young people, making health and safety a priority, keeping cannabis out of the hands of criminals and keeping roads safe. While Yuu?it?ath supports these priorities, we also see the need for the regulation to support community economic development and reconciliation with First Nations.

Yuu?it?ath has an economic development interest in participating in the economy that will develop with the legalization of recreational cannabis.

**Issue:** When the Federal government legalizes recreational cannabis use in Canada by July 2018, the Province of B.C., First Nations reserves/Treaty Settlement Lands and B.C. municipalities will need to be ready with strategies to regulate its production, sale and use within their jurisdictions.



Some of the major issues that Yuutu?it?ath is interested in seeking input on include:

- *Personal Cultivation:* Bill C-45 allows adults to grow up to 4 cannabis plants per household. B.C. may require cultivators to notify local authorities if they are undertaking personal cultivation and they may also need to show that the plants are not accessible to children. We would not support a public list of personal cultivators and we would want to be involved in restorative justice options if on-Treaty Settlement Land citizens are found not to be adhering to the laws.
- *Distribution:* Here are our comments on the three distribution models being considered:
  - Government: Licensed producers would send cannabis to a government distributor who would fill orders from cannabis retailers. This model would require a lot of up-front investment in a storage space and workers to run the system and this would need to be done in a short period of time. It seems unlikely that such a system would be able to be set up and ready to meet demand before finalization of legalization. Further, we would be concerned about the ability of small producers to get their product sold through this scheme since government distributors may overlook smaller-scale producers or those with less financial backing for lobbying the availability of their products. If this model were chosen, B.C. should implement a rule that a minimum percentage of products available are from First Nations cultivators.
  - Private: One or more private businesses could be responsible for the physical warehousing and distribution of cannabis. Government oversight would be required to license, track and report requirements and conduct audits and inspections. This is a model currently used in Alberta's alcohol distribution, where retail is private. It provides an economic opportunity for a business, or several businesses, with expertise in warehousing and distribution. But to work properly, the government needs to impose rules regarding sales. For instance, the Province of B.C. could ensure that distributors do not offer discounts based on volume since this would drive up the costs for small retailers and give large retailers an unfair advantage.
  - Direct: Federally licensed producers would distribute their own products directly to retailers. This seems like a good option for cultivators in small, remote communities as it could cut down on shipping and transportation costs if their product could be sold locally by retailers. This should be an option in remote locations. Further, First Nations cultivators could be provided with capacity funding to ensure that they are also able to market and sell their product on-line. Rules regarding public marketing of cannabis (e.g. billboards, television commercials, magazine adds, etc.) would have to be considered.
- *Retail:* Below are our comments regarding the retail systems that B.C. is considering:
  - Establish a public or private retail system (or mix of both), as currently exists for alcohol sales in B.C. This model, often referred to as the "liquor store" model, needs investment



in retail infrastructure in places where dispensaries do not currently exist. Existing illegal dispensaries can transition into legal ones. Our concerns about this model are as follows:

- Ontario has signaled that they will sell cannabis in a system similar to how they sell alcohol (only in publicly owned dispensaries). In Ontario, there are a low number of government alcohol stores that are found only in larger communities. This type of retail system will not be fair for buyers from smaller and remote communities, nor will it allow for economic development in First Nations communities.
- Although Ucluelet First Nation would prefer the B.C. alcohol distribution retail system where a mix of private and public retail systems exist, there are not often liquor stores on reserve or Treaty Settlement Land and setting up infrastructure for appropriately licenced retail space may be challenging in the short time frame. This would then encourage black market sales, which the Province has noted that they want to avoid. We do not want to see our citizenry targeted as criminals for providing access to legal product so if this retail model is chosen, time must be spent working with First Nations communities to come up with specific measures for incremental implementation and enforcement while appropriate infrastructure is developed.
- Private retailers will likely provide easier and more convenient access, but Alberta's experience with privatization of liquor sales has shown us that buyers will pay more for product (especially in more remote communities) and the government will generate lower revenue from wholesale markup. We would like to see very strong revenue generation with profits going to support First Nations' health and wellness initiatives in their communities.
- The government should enact a rule that retailers cannot receive volume discounts as those would promote big chain businesses and be counter-productive to developing economic opportunities in Indigenous communities.
- Require that cannabis be sold in dedicated storefronts, or sold out of existing businesses such as liquor stores or pharmacies.
  - Sales of cannabis should be controlled as to ensure that youth do not have easy access, and that the products are safe for consumption. But the Province has to ensure that interested retailers can afford to meet the requirements, even in small communities where the volumes of sales may be small.
- Establish a direct-to-consumer mail-order system.
  - This should be an option since it best meets the needs in remote communities. It would be implemented in conjunction with other options listed above.



- *Licensing:* Licensed producers and retailers must undergo a strict (and sometimes expensive) procedure. This has stalled some medical cannabis producers, though Health Canada is attempting to streamline the process. B.C. did not discuss licensing directly in its Discussion Paper nor is it seeking public input on this topic at this time. The Yuutu?it?ath Government would be interested in providing input on this topic to ensure that the scheme is not so difficult or costly as to exclude and criminalize small entrepreneurs.
- *Economic Opportunities:* Many First Nations in Canada are considering the economic development opportunities associated with legalization of recreational use of cannabis. Businesses have been approaching Indigenous communities across Canada to enter into joint-ventures that allow communities lower risk investments and capacity building. Furthermore, some First Nations also have other interests in joining the cannabis economy. For some, they hope to grow “safer” strains than those available on the black market in order to provide appropriate products to their citizens and perhaps provide tourism opportunities. Other First Nations groups in Canada have invested in distribution businesses, or non-reserve production businesses. The Province of B.C. should be aware of First Nations’ interests and strike a steering committee to help properly roll out implementation that does not suffocate opportunities.
- *Concerns:*
  - Some First Nations in B.C. have voiced concerns about the effects of recreational use of cannabis on their citizens and youth. They fear that First Nations investing in cannabis will exacerbate the vulnerability of their populations to substance abuse. Some have already banned sale and use on reserve lands, at least until more community consultation can be realized. The Province of B.C. should be aware of these concerns and work with local First Nations to ensure that their concerns are addressed.
  - Products that are legally distributed should adhere to government-set health standards, such as a maximum THC level.

The legalization of recreational cannabis can have many implications to First Nations and non-First Nations communities. Below are some examples of how legalization may impact health and community wellness in First Nations communities.

- It may provide an opportunity for elders and other community members to discuss proper use of cannabis for medicinal, ceremonial and educational purposes.
- Like tobacco, cannabis was used traditionally by Canadian Indigenous peoples but more dangerous variations of the original product are available on the (black) market.
- Youth may be provided with easier access to a product that can be used destructively. Canada-wide statistics show that a much higher proportion of First Nations adults and teens smoke cigarettes than non-First Nations individuals.
- Improper regulation planning may lead to higher rates of criminalization of First Nations peoples. For instance, Harper’s Bill C-10 “Tackling Contraband Tobacco Act” showed a heavy-



handed approach to enforcement and criminalization of activities that First Nations were very involved in (illegal growing and sales of tobacco).

With many prominent First Nations leaders in Canada supporting legalization and the role of First Nations in investing, operating and participating in the economic opportunities related to the emerging cannabis industry, it is obvious that there is a potential for cannabis to become an economic foundation for some First Nations communities. With proper consultation about regulation, this potential could be celebrated and fostered. First Nations communities should be engaged in discussions such as

- Depending on the distribution scheme chosen, how to ensure that First Nations have “legal” access to cannabis even in remote areas?
- The Province may agree to sell a certain minimum share of First Nations’ grown cannabis product in stores.
- On-reserve sales could collect a shared “tax” that supports health and wellness in the community.
- An acceptable justice system may be developed to deal with illegal sales. Instead of prison time, stiff fines and mandatory minimums, illegal dealers on reserve may be dealt with in a manner decided by the community (this may include counselling, community service, financially supporting health and wellness programs, etc. ...)

The B.C. Provincial Government should take time to properly consult with First Nations about distribution systems for recreational cannabis and consider methods to encourage buy-in for on-reserve/Treaty Settlement Land cultivators and retailers. If not, the legalization may result in further criminalization of First Nations peoples in British Columbia. Further, as we have seen with tobacco, illegal products are often cheaper and marketed towards youth, which undermines Provincial health initiatives, reduces Provincial tax revenue, and may be laced with unsafe chemicals. The Province and the Federal government needs to ensure that regulations keep communities safe.

## Conclusion

Yuutu?it?ath (Ucluelet First Nation) has interests in the recreational cannabis industry and its implications to health and wellness, economic development and reconciliation with the provincial and federal government. Further engagement should be undertaken in the coming months regarding all issues associated with jurisdiction, such as growing and retail licenses, criminalization and taxation.

Chuu, Kleko

President Les Doiron