

A “Made In BC” Solution for Cannabis Regulation

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

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

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

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

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

Minimum Age

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

Personal Possession Limits

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

Public Consumption

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

Drug-impaired Driving

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

Personal Cultivation

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

Distribution and Retail Models

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

Distribution

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

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

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

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

Retail

Private Storefront Dispensaries

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

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

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

The benefits of an inclusive transitional approach are many:

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

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

Recommendations for Licenses

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

Online Sales

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

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

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

Co-location

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

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

Government Owned Stores

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

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

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

For further information, please contact info@camcd.ca