NATIONAL CANNABIS INDUSTRY ASSOCIATION

Public Policy Priorities
116th Congress

Rowing in the Same Direction

The Biggest (Safety and Other) Issues Facing the Cannabis Industry & How We Intend to Tackle Them

Politics and Public Policy In Cannabis

- The Politics of Cannabis in the 116th
- Pending Cannabis Bills in Congress
- The Policy Council's Work
- Public Policy Priorities for the Industry
- Rowing in the Same Direction

The Politics of Cannabis in the 116th: Backdrop

- 90% of Americans support legalizing medicinal cannabis (Quinnipiac)
- 66% of Americans favor legalizing recreational marijuana (Gallop)
- 33 states have approved medicinal cannabis
- 11 states allow recreational consumption

The Politics of Cannabis in the 116th

- Incremental Reform (Republicans)

vs.

- Comprehensive Reform (Democrats)

Politics of Cannabis in the 116th: Incremental Reform

- SAFE Banking
  - House: Passed September 2019 (321-103)
  - House: Covid Relief - May 2020 (HERO's Act)
    - McConnell: Additional Covid Relief?
    - Crapo: 2% THC and other concerns
    - Wildcard: Corey Gardner
- SBA Loans
  - Earl Blumenauer (OR) + Ed Perlmutter (CO)

Politics of Cannabis in the 116th: Incremental Reform

- STATES
  - DOA for Democrats

- 280E
  - No Vehicle

- Appropriations
  - September?

Politics of Cannabis in the 116th: Comprehensive Reform

- Marijuana Opportunity Reinvestment + Expungement Act (MORE)
- De-Scheduling!
- Social Equity Reforms
- 74 CO-Sponsors
- Not a Perfect Bill
  - No Regulatory Plan
  - Should be Alcohol not Tobacco

Comprehensive Reform In the 116th: De-Scheduling

- The Implications of De-Scheduling - precursor to everything
  - Fixes banking
  - Fixes 280E
  - Paves the way for real social equity reform
  - Takes regulatory authority away from the DEA
  - Removes cannabis from a list of drugs that have no medical benefits (LSD, Heroin, Meth)
  - Fixes the federal/state conflict
  - Allows for medical research
  - Allows for interstate commerce
  - Alcohol and Tobacco are not scheduled and are highly addictive

1.

Comprehensive Reform In the 116th: Re-Scheduling

- Re-scheduling is terrible public policy
  - Expensive/Arduous FDA Clinical Trials
  - Prescription Drug Model - Kills Industry
  - DEA retains criminal jurisdiction
  - Medicinal value is well documented
    - HHS patent, 33 states medical, GW Pharma
  - Retains federal/state conflict
  - Does not allow for public health oversight by FDA

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Policy Council

- The Policy Council
  - **Regulating Cannabis** Post-Legalization (Update)
  - **DEA Comments** (Filed in May)
  - NIDA Comments (Filed in May)
  - Environmental Sustainability (Publication in June)
  - Interstate Commerce (Publication in July)
  - Gender Equity, Taxes, Ethics, Medicine of Cannabis

Policy Council

- Regulating Cannabis Post-Legalization
  - Alcohol not tobacco
  - Regulatory framework
  - Social Equity
  - Taxes
  - TTB and FDA Jurisdiction

Policy Council

- DEA and NIDA Public Comments
  - Governed by Administrative Procedure Act
    - Must “Consider”
    - OMB Leads Overarching Process
    - DEA/NIDA lead Specific Rule-Making

Policy Council

- NIDA Public Comments
  - Dosing
  - Too complicated because dosing is direct for edibles vs flower vs concentrate
  - 5mg is Default

Policy Council

- DEA Public Comments
  - Research

Policy Council Rule-Making

- DEA Public Comments
  - NPRM (Notice of Proposed Rule-Making)
  - Federal Register Notice: March 23, 2020
  - Comments Due May 22, 2020
  - NCIA filed May 20, 2020
  - DEA Reliant on Single Convention of 1961

Policy Council Rule-Making

- General Comments
  - NCIA opposed the rule making in its entirety
  - If adopted, these rules would radically overhaul how medical cannabis can be researched
  - Instead of facilitating research, this proposed rule-making will hinder research

Policy Council Rule-Making

- DEA Public Comments - Main Oppositions
  - The US should adopt a regulatory framework that facilitates research, rather than stifling it
  - A law enforcement agency should not be in charge of public health research
    - One of the many public health agencies (HHS/NIH) should be in charge of research and this NPRM
    - Perfectly consistent with US treaty obligations pursuant to the 1961 UN Convention Single Convention on Narcotics Drugs

Policy Council Rule-Making

- DEA Public Comments - Importance of Research
  - The success of modern medicine is dependent on **evidence**
  - Despite the fact that 3m people legally use medicinal cannabis to treat a variety of conditions and symptoms, key research is stifled due to its current Schedule I status.
  - Evidence-based medicinal research guides medical doctors on the use, dosing and monitoring of medications

Policy Council Rule-Making

- DEA Public Comments - History
  - Prior to 2016, DEA authorized a single supplier (University of Mississippi) to supply cannabis for research purposes under a contact with NIDA
    - This significantly limited supply of high quality cannabis
  - In 2016, DEA said that they wanted to support more research by increasing the number of entities registered to cultivate cannabis for research and the lawful supply of cannabis available for researchers
  - Rather than have NIDA be the exclusive registrant for cannabis cultivation, DEA announced its intent to accept new applications for cannabis cultivators, as long as the new cultivators would sell their product to DEA-licensed researchers
  - Since DEA's announcement 4 years ago, 30 entities have applied, yet DEA has taken **no** action

DEA
Public Comments

- In justifying their actions here, DEA indicated that it is bound by the Single Convention on Narcotic Drugs of 1961
- To our knowledge, compliance with the Single Convention has never previously been raised as a requirement to obtain a registration
- DEA's new focus is curious to say the least
  - Administration has removed itself from numerous treaties and international organizations
    - Specifically, the US has relinquished responsibilities under numerous international treaties including NAFTA, the Paris Accord, the Iran Nuclear Deal, TPP, among others
    - Trump has railed against the United Nations, NATO, WHO, and the UN Human Rights Council
  - It is therefore confusing that the Trump Administration, which has repeatedly rejected international treaties, is now relying on an international treaty to justify the transfer of authority over cannabis production to LAW ENFORCEMENT

DEA
Public Comments

- The reasons why the US lacks sufficient data on the medicinal use of cannabis is supply and quality
- Not enough cannabis is being grown by the University of Mississippi for meaningful research by NIDA
- The quality is also objectively unsuited for medical research or rigorous clinical trials
- Better quality cannabis and more consistent supply is needed for research used for policy-making
- It is more likely that these rules would obstruct research by leaving the most experienced cultivators on the sidelines
    - Because DEA indicates that they will reject anyone who has been violating the CSA

Policy Council
DEA Public Comments

- DEA Public Comments - Specific Objections
  - A public health agency should lead on cannabis research; not law enforcement
  - Don't need to adhere to the Single Convention to this Degree
    - A narrow reading is not warranted - numerous parties to the Single Convention regulate the production of medical cannabis and do not follow the Single Convention to the exact letter of the law (Uruguay, Canada, Israel, UK, Germany)
    - Trump has rejected most international treaties and organizations and now relies upon this outdated treaty to justify their actions - we should pull out and then rejoin after objecting to the cannabis provisions
- Rule shifts the burden of proof that a registration application should be granted
- Provides that no new applications will be considered until the 30 are addressed
- Nobody who broke federal law can participate

Affect of Covid: GMPs

- Good Manufacturing Practices (GMP) are minimum requirements to ensure that products are created in a manner that ensures they are of consistent quality and safe for their intended use.
- If a product is found to be produced in a facility that does not meet GMPs, they can be considered adulterated and unsafe.
- In the US, the U.S. Food & Drug Administration (FDA) regulates the manufacture and sale of food and beverages, dietary supplements, pharmaceutical products, and cosmetics by requiring adherence to GMPs.
- Because cannabis is a Schedule I drug, GMPs are not mandated by FDA
- Industry should do this voluntarily

Policy Council

Rowing in the Same Direction

VOTE!

ADVOCACY.

EDUCATION.

COMMUNITY.