



July 29, 2022

The Honorable Chuck Schumer  
Majority Leader, U.S. Senate  
Room S-221, The Capitol  
Washington, DC 20510

The Honorable Cory Booker  
U.S. Senator for New Jersey  
717 Hart Senate Office Building  
Washington, DC 20510

The Honorable Ron Wyden  
U.S. Senator for Oregon  
221 Dirksen Senate Office Building  
Washington, DC 20510

Re: Cannabis Administration and Opportunity Act Introduction and Hearing

Dear Majority Leader Schumer, Senator Booker, and Chairman Wyden,

Thank you for your leadership in introducing the Cannabis Administration and Opportunity Act (CAOA). The Cannabis Regulators Association (CANNRA) represents government officials involved in cannabis regulation from more than 40 states and U.S. territories. As current cannabis regulators who have firsthand experience implementing cannabis regulations, we bring a unique and essential perspective to the federal cannabis policy discussion. We were pleased to see that many of the issues we previously raised in our comment letter on the CAOA draft were addressed in the bill that was introduced last Thursday. In particular, we appreciate improvements made to the bill to reflect:

- **That federal cannabis regulatory policy sets a floor, not a ceiling**, and, under the Act, states would continue to be able to respond to urgent regulatory needs to protect public health, promote equity, and ensure well-regulated markets in their respective states.
- **Minimum standards for product testing, ingredients and additives, and packaging and labeling**, with a timeline and process laid out for the Department of Health and Human Services (DHHS) and the Food and Drug Administration (FDA) to adhere to in drafting and implementing associated rules and regulations.
- **A new and expanded section on data collection, data monitoring, and research**. These functions are essential to informing and improving cannabis regulation and must be prioritized and funded.
- **A greatly expanded section on social equity and social justice**, including a robust community reinvestment plan, access to capital, and grant opportunities for state, territory, and local governments to improve on equity in licensing at the state level.
- **Integration of banking improvements** for the cannabis industry, service providers, and communities impacted by cannabis prohibition and criminalization. As noted in a letter we submitted to congress on May 18th of this year, the current cannabis banking situation in states has created public safety and security risks, inequities, and even banking challenges for regulatory agencies.
- **More accountability and coordination for the federal agencies that would be involved in implementation of the Act**. States have seen firsthand the coordination required to implement cannabis regulations, and the challenges that come from having many agencies responsible for different aspects of regulation and policy.
- **The formation of a Cannabis Products Advisory Committee** with a range of stakeholders, including a representative for state cannabis regulators.

These changes to the Act represent improvements that CANNRA has identified as being vital to federal cannabis policy implementation. That said, state cannabis regulators continue to face a range of policy challenges that, if not accounted for, could be further complicated by federal regulation. CANNRA and our member regulators continue to have concerns about a lack of concordance federally between hemp and cannabis. The hemp landscape has provided an example of what happens when something is federally legalized without sufficient regulatory oversight, and states have been left to address the issue largely on their own. As the topic of hemp continues to be discussed, state cannabis regulators must be at the table to help inform policies that address:

- Impairing compounds that are being chemically synthesized from hemp – including a range of cannabinoids beyond THC isomers, many of which are not found in nature and have no known safety profile
- In-process extracts, which often contain higher levels of THC than currently permitted in law
- Required testing and labeling processes for hemp-derived products to minimize consumer safety risks
- Approaches to regulate and limit the amount of legal THC and other impairing or intoxicating cannabinoids that are allowed to be in hemp products sold to the general population, similar to the 1mg THC to 100g ratio proposed in Section 803 of the CAOA

In addition to hemp, CANNRA members continue to discuss the implications that high federal cannabis taxes would have on states, who have their own state tax structures with revenues currently being used to fund a range of in-state public health, public safety, and social justice efforts. High costs can challenge the competitiveness of the legal market compared with the illicit market, undermining our ability to steer consumers towards tested and regulated legal products.

Furthermore, CANNRA members, nearly half of whom represent states with medicinal only policies, continue to discuss implications federal legalization might have on patients, certifying clinicians, and medicinal cannabis, which remain largely absent from the CAOA. Compared to nonmedical adult use programs, many medicinal cannabis programs take a different approach to taxing medicinal cannabis, the types of cannabis products that patients can access, distinctions in purchase and possession limits, and the required age of patients.

Lastly, states involved in cannabis regulation have experienced their own unique issues with coordination of cannabis governance across the many state agencies that have responsibilities when cannabis laws change. As noted in our initial response to the draft CAOA, coordination and collaboration across federal agencies, and with state, local, and tribal regulators will be essential to the successful administration of any policy changes related to cannabis, incremental or otherwise.

A primary mission of CANNRA is to help public officials understand the complex issues surrounding cannabis legalization and regulation. The members of CANNRA greatly appreciate the efforts to integrate so many of our initial comments associated with the CAOA draft. We stand ready to help Congress and federal regulatory agencies as you further refine this bill and look to integrate concepts from the CAOA into subsequent legislation.

Sincerely,



Gillian L. Schauer, PhD, MPH  
Executive Director, CANNRA



Andrew Brisbo, President, CANNRA  
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Steve Marks, President-Elect, CANNRA  
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Board



Tyler Klimas, Treasurer, CANNRA  
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Board



Chris Tholkes, Board Member, CANNRA  
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Michele Nakata, Vice President, CANNRA  
Chief, Hawaii Office of Medical Cannabis Control and  
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Dominique Mendiola, Board Member, CANNRA  
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Andrew Turnage, Board Member, CANNRA  
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Commission

#### **CANNABIS REGULATORS ASSOCIATION**

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