

#1

COMPLETE

**Collector:** Web Link 1 (Web Link)  
**Started:** Friday, February 16, 2018 5:57:19 AM  
**Last Modified:** Friday, February 16, 2018 5:59:23 AM  
**Time Spent:** 00:02:03  
**IP Address:** 67.182.187.165

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Page 1

**Q1** First Name (Optional)

Pat

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**Q2** Last Name (Optional)

Reynolds

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**Q3** Organization (Optional)

A positive option

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**Q4** Title (Optional)

Life coach

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**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Equity Subcommittee**

**Q6** Feedback for Subcommittee

Veterans discount for application and licensing fees

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## #2

COMPLETE

**Collector:** Web Link 1 (Web Link)  
**Started:** Friday, February 16, 2018 7:54:47 AM  
**Last Modified:** Friday, February 16, 2018 7:57:48 AM  
**Time Spent:** 00:03:01  
**IP Address:** 73.41.91.171

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Page 1

### Q1 First Name (Optional)

Dean

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### Q2 Last Name (Optional)

Peckham

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### Q3 Organization (Optional)

Cutting Edge Clones

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### Q4 Title (Optional)

Partner

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**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Equity Subcommittee**

### Q6 Feedback for Subcommittee

Interested in a streamlined permitting process for small businesses from underserved communities with the opportunity to participate in a manner that minimizes barriers to entry such as expedited permitting. 2nd, if these are not grow facilities, can we reduce the 600 radius?

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#3

COMPLETE

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 10:40:53 AM  
**Last Modified:** Wednesday, February 21, 2018 10:42:24 AM  
**Time Spent:** 00:01:31  
**IP Address:** 69.181.70.4

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Page 1

**Q1** First Name (Optional)

Sharon

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**Q2** Last Name (Optional)

Krinsky

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**Q3** Organization (Optional)

Society Jane

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**Q4** Title (Optional)

CEO

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**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Equity Subcommittee**

**Q6** Feedback for Subcommittee

Extend time to conduct business irrespective of M & A designation: CCR § 5029

Licensees may 'cross over' between A and M until 6/30/18. The requirement of 2 separate licenses, when cannabis and products are subject to nearly identical quality control and public health requirements, creates an equity issue.

Recommendation: Thank you for including the 6 month transition period! It would be helpful if you could extend the time frame in which licensees may conduct business with other licensees irrespective of the M or A designation on their licenses. Please reevaluate whether this policy serves a critical public health and safety function or if another solutions would achieve that aim, with a lower administrative and cost burden to small businesses, which is especially acute for equity businesses.

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# #4

**COMPLETE**

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 10:53:36 AM  
**Last Modified:** Wednesday, February 21, 2018 10:54:52 AM  
**Time Spent:** 00:01:15  
**IP Address:** 76.103.225.148

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Page 1

**Q1** First Name (Optional)

Menaka

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**Q2** Last Name (Optional)

Mahajan

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**Q3** Organization (Optional)

**Respondent skipped this question**

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**Q4** Title (Optional)

**Respondent skipped this question**

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**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Equity Subcommittee**

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**Q6 Feedback for Subcommittee**

I previously worked for a public agency (local level) on small business friendly policy/legislation and now work as a strategic and policy advisor within the cannabis industry. I have heard from many small businesses about the various provisions in the law that reduce their competitiveness against larger, better funded businesses and could put the smaller entrepreneurs out of business, as well as the challenges created for patients who are adapting to a different regulatory environment as they try to obtain their medicine. A large group of us have spent considerable time reviewing the regulations together and developing recommendations. Thank you very much for all your efforts to solicit feedback from the community and to develop regulations that are effective from a regulatory perspective, while keeping in mind the challenges of small operators who form the backbone of the cannabis industry. Please don't hesitate to reach out if I can be of service in crafting the formal regulations.

Shared spaces: CCR § 40190-40199

We are in full support and excited about shared manufacturing spaces! We urge you to define and communicate this legislation quickly as the lack of this legislation negatively impacts our equity partners/incubators and small manufacturers. Licensing fees have become a barrier to entry for small businesses and equity incubators. By allowing shared spaces, small businesses can afford to obtain zoning-compliant spaces and enter the regulated market.

Recommendation: We request you to consider allowing shared equipment for non extraction related equipment. With the proper GMP's and SOP's in place there should be little to no risk of cross contamination. This is similar for mobile bottlers in the alcohol industry or co-packers in the traditional food industry.

We urge you to avoid any language defining or capping square footage, number of employees or businesses per premise. There are significant safety measures put in place by the Fire Department as well as the Department of Public Health to address any concerns regarding limitations to shared food processing and building safety.

Finally, please allow licensees in shared spaces to have shared storage. This will help small businesses to afford the costs of compliance. Shared locked cages for product are economically practical and guidelines may be specified to ensure each licensee's products remain separate within the cage.

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# #5

**COMPLETE**

**Collector:** Web Link 1 (Web Link)  
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**Last Modified:** Wednesday, February 21, 2018 11:00:35 AM  
**Time Spent:** 00:00:14  
**IP Address:** 198.189.249.57

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Page 1

**Q1** First Name (Optional)

Stephani

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**Q2** Last Name (Optional)

Smith

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**Q3** Organization (Optional)

Respondent skipped this question

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**Q4** Title (Optional)

Respondent skipped this question

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**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Equity Subcommittee**

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**Q6 Feedback for Subcommittee**

To Whom It May Concern,

With the State's legalization of adult-use cannabis, numerous ancillary industries have arisen in response to new and pending regulations. I've recognized there is a lack of consideration for cannabis waste in particular. This is a concern of mine due to the increasing number of cultivation, manufacturing and retailer licenses being granted within the state without identified guidelines and/or regulations regarding safe disposal of cannabis byproduct and cannabis waste.

Cannabis waste is expansive and differs from cultivators, manufacturers, and retailers. As such, it would also be prudent to clarify streams of waste by industry vertical. For example, cannabis waste runs the gamut of post-extracted cannabis plants and flowers, failed lab tested materials, ancillary manufactured waste (for example, i.e., wax paper, gloves, beakers, etc.), retail display items, and returned/damaged retail items, and more. Currently, certain streams of cannabis waste are frequently mistaken with safe-to-consume products, posing a risk to children and disenfranchised individuals.

It is my recommendation that regulations reflect who is qualified to handle cannabis waste. A licensed cannabis waste handler ought to be contracted for each cannabis cultivator, manufacturer, and retail site to combat the negative repercussions cannabis waste has on human and environmental health. The inclusion of such a standard will complete the symbiotic relationship between key stakeholders—the environment, the public and the industry.

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# #6

**COMPLETE**

**Collector:** Web Link 1 (Web Link)  
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**Last Modified:** Wednesday, February 21, 2018 12:38:48 PM  
**Time Spent:** 00:00:52  
**IP Address:** 45.48.229.173

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Page 1

**Q1** First Name (Optional)

Rachel

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**Q2** Last Name (Optional)

O.

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**Q3** Organization (Optional)

Somatik

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**Q4** Title (Optional)

Sales

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**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Equity Subcommittee**

**Q6** Feedback for Subcommittee

Equity Subcommittee 19  
Shared spaces: CCR § 40190-40199 19  
A&M Licensing 19

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#7

COMPLETE

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 1:01:35 PM  
**Last Modified:** Wednesday, February 21, 2018 1:01:55 PM  
**Time Spent:** 00:00:20  
**IP Address:** 73.241.141.254

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Page 1

**Q1** First Name (Optional)

Luna

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**Q2** Last Name (Optional)

Respondent skipped this question

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**Q3** Organization (Optional)

Respondent skipped this question

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**Q4** Title (Optional)

Respondent skipped this question

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**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Equity Subcommittee**

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**Q6 Feedback for Subcommittee**

Shared spaces: CCR § 40190-40199

We are in full support and excited about shared manufacturing spaces! We urge you to define and communicate this legislation quickly as the lack of this legislation negatively impacts our equity partners/incubators and small manufacturers. Licensing fees have become a barrier to entry for small businesses and equity incubators. By allowing shared spaces, small businesses can afford to obtain zoning-compliant spaces and enter the regulated market.

Recommendation: We request you to consider allowing shared equipment for non extraction related equipment. With the proper GMP's and SOP's in place there should be little to no risk of cross contamination. This is similar for mobile bottlers in the alcohol industry or co-packers in the traditional food industry.

We urge you to avoid any language defining or capping square footage, number of employees or businesses per premise. There are significant safety measures put in place by the Fire Department as well as the Department of Public Health to address any concerns regarding limitations to shared food processing and building safety.

Finally, please allow licensees in shared spaces to have shared storage. This will help small businesses to afford the costs of compliance. Shared locked cages for product are economically practical and guidelines may be specified to ensure each licensee's products remain separate within the cage.

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Recommendation: Thank you for including the 6 month transition period! It would be helpful if you could extend the time frame in which licensees may conduct business with other licensees irrespective of the M or A designation on their licenses. Please reevaluate whether this policy serves a critical public health and safety function or if another solutions would achieve that aim, with a lower administrative and cost burden to small businesses, which is especially acute for equity businesses.

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#8

COMPLETE

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 1:46:12 PM  
**Last Modified:** Wednesday, February 21, 2018 1:50:12 PM  
**Time Spent:** 00:04:00  
**IP Address:** 192.195.80.217

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Page 1

**Q1** First Name (Optional)

Christopher

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**Q2** Last Name (Optional)

Schroeder

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**Q3** Organization (Optional)

A Tribe Of Us

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**Q4** Title (Optional)

Founder

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**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Equity Subcommittee**

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**Q6 Feedback for Subcommittee**

Thank you so much for all of your help with on the subcommittee and regulatory boards. We are really happy that you are working with us to ensure safe access for consumers as well as protecting our business' ability to thrive. These are comments I worked on with 40 other operators in San Francisco. Many of us are still waiting for our temporary state licenses, many us already have them, and I think this feedback comes from a wide range of industry expects and experience levels and hopefully you'll find our recommendations reasonable and through provoking. Thanks again for all you do!

Shared spaces: CCR § 40190-40199

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#9

COMPLETE

**Collector:** Web Link 1 (Web Link)  
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**Last Modified:** Wednesday, February 21, 2018 2:06:46 PM  
**Time Spent:** 00:01:18  
**IP Address:** 216.101.17.200

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Page 1

**Q1** First Name (Optional)

Bridget

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**Q2** Last Name (Optional)

May

---

**Q3** Organization (Optional)

Little Green Bee

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**Q4** Title (Optional)

President

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**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Equity Subcommittee**

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**Q6 Feedback for Subcommittee**

Shared spaces: CCR § 40190-40199

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# #10

COMPLETE

**Collector:** Web Link 1 (Web Link)  
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**Last Modified:** Wednesday, February 21, 2018 2:10:00 PM  
**Time Spent:** 00:05:37  
**IP Address:** 174.214.5.73

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Page 1

## Q1 First Name (Optional)

Joshua

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## Q2 Last Name (Optional)

Weitz

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## Q3 Organization (Optional)

Mirage Medicinal

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## Q4 Title (Optional)

Ceo

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**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Equity Subcommittee**

## Q6 Feedback for Subcommittee

Hello, my name is Joshua Weitz. I am an Equity Applicant and a business owner of a transitioning California Cannabis Business called Mirage Medicinal. We have been in operation since 2014 as a delivery service. Although have had to shut down due to not having a location in a designated green zone. The biggest issue for me as an Equity Applicant is having an expedited pathway for application consideration and approval that recognizes San Francisco equity ordinance in their consideration. A speedy inspection of equity applicants is Crucial because holding onto retail lease space for long periods with out being able to operate business is cost prohibitive for any small business let alone a cannabis felon trying to boot strap their way into the new legal field. It's my wish that the state will have an 2 month guarantee of granting licenses to qualified equity applicants. This will allow us to negotiate feisable leases with landlords. Thank you very much.

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# #11

**COMPLETE**

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 2:10:13 PM  
**Last Modified:** Wednesday, February 21, 2018 2:14:20 PM  
**Time Spent:** 00:04:06  
**IP Address:** 192.195.80.217

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Page 1

**Q1** First Name (Optional)

Clayton

---

**Q2** Last Name (Optional)

Coker

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**Q3** Organization (Optional)

Somatik

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**Q4** Title (Optional)

Co-founder

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**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Equity Subcommittee**

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**Q6 Feedback for Subcommittee**

My name's Clayton Coker, and I'm one of the co-founders of Somatik. We are a gourmet edibles manufacturer based out of San Francisco. I'd first like to thank you all for all of your hard work in helping us all move quickly toward becoming a fully legal and compliant industry. I think it is deeply important that we are able to build on the trust and confidence that we have worked so hard to build with the people of California. And I have felt personally privileged to be able to participate in this process.

Shared spaces: CCR § 40190-40199

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# #12

**COMPLETE**

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**Last Modified:** Wednesday, February 21, 2018 2:52:11 PM  
**Time Spent:** 00:00:50  
**IP Address:** 67.160.198.33

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Page 1

**Q1** First Name (Optional)

Michelle

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**Q2** Last Name (Optional)

Dizitser

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**Q3** Organization (Optional)

Kannibox

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**Q4** Title (Optional)

Founder and CEO

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**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Equity Subcommittee**

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**Q6** Feedback for Subcommittee

KANNIBOX IS A SOCIALLY RESPONSIBLE COMPANY PROVIDING AN EASY WAY FOR PEOPLE TO DISCOVER DIFFERENT TYPES OF CANNABIS AND TRY PRODUCTS THROUGH A PERSONALIZED SAMPLE SUBSCRIPTION BOX

OUR GOAL AT IS TO HELP SMALL BUSINESS THRIVE BY PROVIDING THEM A PLATFORM AND A CHANNEL TO MARKET. WE WANT TO SEE THE ILLICIT CANNABIS MARKET DISAPPEAR BY GIVING OPPORTUNITIES FOR SMALL BUSINESS TO HAVE A VOICE AND REACH THEIR TARGET CONSUMERS.

WE FEEL THAT SOME OF THE HURDLES THAT HAVE BEEN CREATED BY THE CURRENT REGULATIONS, HAVE HAMPERED THE POTENTIAL SUCCESS OF SMALL BUSINESSES BY NOT GIVING THEM A REASONABLE PATH TO GET TO LEGALIZATION, AND THUSLY HAS POSITIONED THE ILLICIT MARKET TO THRIVE.

KANNIBOX AIMS TO EDUCATE CONSUMERS ABOUT ALL DIFFERENT TYPES OF CONSUMPTION METHODS, DOSING, AND WHAT WORKS BEST FOR THEM AS INDIVIDUALS. HEALTH AND SAFETY IS A NUMBER ONE PRIORITY. IF WE HAVE EDUCATED CONSUMERS WHO UNDERSTAND WHAT THEY ARE CONSUMING, WE WILL HAVE A STRONGER AND MORE COMPASSIONATE MARKET.

WE ARE APPLYING FOR A BOTH MEDICAL AND ADULT USE MICROBUSINESS LICENSES.

Shared spaces: CCR § 40190-40199

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# #13

**COMPLETE**

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 2:55:33 PM  
**Last Modified:** Wednesday, February 21, 2018 2:58:35 PM  
**Time Spent:** 00:03:02  
**IP Address:** 166.216.158.129

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Page 1

**Q1** First Name (Optional)

Stephen

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**Q2** Last Name (Optional)

Respondent skipped this question

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**Q3** Organization (Optional)

Respondent skipped this question

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**Q4** Title (Optional)

Respondent skipped this question

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**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Equity Subcommittee**

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**Q6** Feedback for Subcommittee

Rules to permit better use of equity status to get partners or funding much in the same way companies may engage minorities or women to get favored status on contracts. More active priprams to assist expungement

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# #14

**COMPLETE**

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 3:06:02 PM  
**Last Modified:** Wednesday, February 21, 2018 3:07:08 PM  
**Time Spent:** 00:01:06  
**IP Address:** 76.102.106.134

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Page 1

**Q1** First Name (Optional)

Jane

---

**Q2** Last Name (Optional)

Eisner

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**Q3** Organization (Optional)

Wildflower Press

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**Q4** Title (Optional)

Co-Founder/CEO

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**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

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**Equity Subcommittee**

**Q6 Feedback for Subcommittee**

We are a small business who which to have the following reflected in the regulations.

Shared spaces: CCR § 40190-40199

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Thank you.

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# #15

**COMPLETE**

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 3:07:31 PM  
**Last Modified:** Wednesday, February 21, 2018 3:08:14 PM  
**Time Spent:** 00:00:42  
**IP Address:** 108.163.144.36

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Page 1

**Q1** First Name (Optional)

Deborah

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**Q2** Last Name (Optional)

Sadler

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**Q3** Organization (Optional)

CBCB Berkeley

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**Q4** Title (Optional)

General Manager

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**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Equity Subcommittee**

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**Q6 Feedback for Subcommittee**

"Shared spaces: CCR § 40190-40199

We are in full support and excited about shared manufacturing spaces! We urge you to define and communicate this legislation quickly as the lack of this legislation negatively impacts our equity partners/incubators and small manufacturers. Licensing fees have become a barrier to entry for small businesses and equity incubators. By allowing shared spaces, small businesses can afford to obtain zoning-compliant spaces and enter the regulated market.

Recommendation: We request you to consider allowing shared equipment for non extraction related equipment. With the proper GMP's and SOP's in place there should be little to no risk of cross contamination. This is similar for mobile bottlers in the alcohol industry or co-packers in the traditional food industry.

We urge you to avoid any language defining or capping square footage, number of employees or businesses per premise. There are significant safety measures put in place by the Fire Department as well as the Department of Public Health to address any concerns regarding limitations to shared food processing and building safety.

Finally, please allow licensees in shared spaces to have shared storage. This will help small businesses to afford the costs of compliance. Shared locked cages for product are economically practical and guidelines may be specified to ensure each licensee's products remain separate within the cage.

Extend time to conduct business irrespective of M & A designation: CCR § 5029

Licensees may 'cross over' between A and M until 6/30/18. The requirement of 2 separate licenses, when cannabis and products are subject to nearly identical quality control and public health requirements, creates an equity issue.

Recommendation: Thank you for including the 6 month transition period! It would be helpful if you could extend the time frame in which licensees may conduct business with other licensees irrespective of the M or A designation on their licenses. Please reevaluate whether this policy serves a critical public health and safety function or if another solutions would achieve that aim, with a lower administrative and cost burden to small businesses, which is especially acute for equity businesses

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# #16

**COMPLETE**

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 3:07:18 PM  
**Last Modified:** Wednesday, February 21, 2018 3:08:55 PM  
**Time Spent:** 00:01:36  
**IP Address:** 76.102.106.134

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Page 1

**Q1** First Name (Optional)

Ryan

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**Q2** Last Name (Optional)

Armistead

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**Q3** Organization (Optional)

Wildflower Press

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**Q4** Title (Optional)

Co-Founder/COO

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**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Equity Subcommittee**

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**Q6 Feedback for Subcommittee**

We are a small business who wish to have the following reflected in the regulations.

Shared spaces: CCR § 40190-40199

We are in full support and excited about shared manufacturing spaces! We urge you to define and communicate this legislation quickly as the lack of this legislation negatively impacts our equity partners/incubators and small manufacturers. Licensing fees have become a barrier to entry for small businesses and equity incubators. By allowing shared spaces, small businesses can afford to obtain zoning-compliant spaces and enter the regulated market.

Recommendation: We request you to consider allowing shared equipment for non extraction related equipment. With the proper GMP's and SOP's in place there should be little to no risk of cross contamination. This is similar for mobile bottlers in the alcohol industry or co-packers in the traditional food industry.

We urge you to avoid any language defining or capping square footage, number of employees or businesses per premise. There are significant safety measures put in place by the Fire Department as well as the Department of Public Health to address any concerns regarding limitations to shared food processing and building safety.

Finally, please allow licensees in shared spaces to have shared storage. This will help small businesses to afford the costs of compliance. Shared locked cages for product are economically practical and guidelines may be specified to ensure each licensee's products remain separate within the cage.

Extend time to conduct business irrespective of M & A designation: CCR § 5029

Licensees may 'cross over' between A and M until 6/30/18. The requirement of 2 separate licenses, when cannabis and products are subject to nearly identical quality control and public health requirements, creates an equity issue.

Recommendation: Thank you for including the 6 month transition period! It would be helpful if you could extend the time frame in which licensees may conduct business with other licensees irrespective of the M or A designation on their licenses. Please reevaluate whether this policy serves a critical public health and safety function or if another solutions would achieve that aim, with a lower administrative and cost burden to small businesses, which is especially acute for equity businesses.

Thank you.

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# #17

**COMPLETE**

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 2:53:23 PM  
**Last Modified:** Wednesday, February 21, 2018 3:31:18 PM  
**Time Spent:** 00:37:54  
**IP Address:** 67.180.62.157

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Page 1

**Q1** First Name (Optional)

**Respondent skipped this question**

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**Q2** Last Name (Optional)

Marcus

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**Q3** Organization (Optional)

**Respondent skipped this question**

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**Q4** Title (Optional)

**Respondent skipped this question**

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**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

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**Equity Subcommittee**

**Q6 Feedback for Subcommittee**

Thank you for the devotion of your time and energy to continuously improving the equity program. I'd like to provide a few recommendations:

We are in full support and excited about shared manufacturing spaces! We urge you to define and communicate this legislation quickly as the lack of this legislation negatively impacts our equity partners/incubators and small manufacturers. Licensing fees have become a barrier to entry for small businesses and equity incubators. By allowing shared spaces, small businesses can afford to obtain zoning-compliant spaces and enter the regulated market.

Recommendation: We request you to consider allowing shared equipment for non extraction related equipment. With the proper GMP's and SOP's in place there should be little to no risk of cross contamination. This is similar for mobile bottlers in the alcohol industry or co-packers in the traditional food industry.

We urge you to avoid any language defining or capping square footage, number of employees or businesses per premise. There are significant safety measures put in place by the Fire Department as well as the Department of Public Health to address any concerns regarding limitations to shared food processing and building safety.

Finally, please allow licensees in shared spaces to have shared storage. This will help small businesses to afford the costs of compliance. Shared locked cages for product are economically practical and guidelines may be specified to ensure each licensee's products remain separate within the cage.

Thank you for including the 6 month transition period! It would be helpful if you could extend the time frame in which licensees may conduct business with other licensees irrespective of the M or A designation on their licenses. Please reevaluate whether this policy serves a critical public health and safety function or if another solutions would achieve that aim, with a lower administrative and cost burden to small businesses, which is especially acute for equity businesses.

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# #18

**COMPLETE**

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 4:00:49 PM  
**Last Modified:** Wednesday, February 21, 2018 4:01:06 PM  
**Time Spent:** 00:00:17  
**IP Address:** 73.70.133.149

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Page 1

**Q1** First Name (Optional) **Respondent skipped this question**

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**Q2** Last Name (Optional) **Respondent skipped this question**

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**Q3** Organization (Optional) **Respondent skipped this question**

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**Q4** Title (Optional) **Respondent skipped this question**

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**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments. **Equity Subcommittee**

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**Q6** Feedback for Subcommittee

"Packaging: CCR § 40415 [Issue]: Requiring child resistant packaging as stated in the proposed legislation creates significant waste. We urge you to consider the environmental impact from excessive packaging and redundancy: Requiring child resistant packaging is also expensive. The certification process is time consuming and costly. Sourcing certified child resistant packaging is equally cost prohibitive for small manufacturers. Washington state does not require child resistant packaging and have not seen safety issues as a result, and the consumer needs to take responsibility for keeping packaging out of hands of children. We believe there should be a balance regarding responsibility consumer and licensee responsibility.

Products for topical application should have less child-resistant packaging requirements because the danger of ingestion for topicals is low. Topicals should be easy enough to open for those with arthritis. Topicals should not be required to be in child resistant packaging. Instead, should include language "for external use only. Do not eat.

Requiring opaque packaging removes the consumer's ability to interact with a product before purchasing. With proper labeling the consumer is informed of the contents of the product We would like to see the removal of the requirement that edibles be in opaque packaging.

[Recommendations] We are in full support of tamper-evident packaging. It's proven successful in preventing contaminated products getting into the hands of consumers across other well established industries. We support retailers using opaque child-resistant carry-out bags at the point of sale.

Primary Panel Labeling Requirements: CCR § 40405: [Issue] It's unclear whether primary panel includes the lid for items like beverages. This is one of the most visible part of the product to alert consumers the product contains THC, and would give us more flexibility in

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where we can alert the consumer. For example a beverage should be able to put the universal warning symbol on the primary label OR lid.

[Recommendations] clarify primary panel may also be inclusive of the lid to a product.

Universal Symbol: CCR § 40412 [Issue]: Many edible products are small and don't have enough space for all of the requirements including a .5 in graphic. We believe that allowing the universal THC symbol to be .25 in would still be adequate to alert consumers and be more closely aligned with the symbol requirements from other legalized states, while allowing the rest of the required information to have room.

[Recommendations] amend required size of CA state universal symbol to .25 in

Different labeling requirements for topicals: BPC § 26120(c)(1)(B) [Issue]: Topical products should have different labeling requirements based on scientific evidence. Requiring a warning on the label of topical products that states that the product will impair the ability to drive etc, assumes that all cannabis topicals are formulated with a permeation enhancer as one would find in a transdermal product. The epidermis and dermis block migration of cannabinoids into the bloodstream. Without an efficacious delivery of cannabinoids into the circulatory or lymphatic systems, topical cannabis products cannot neither impair judgement or reaction timing, nor induce psychoactive effects. Transdermal cannabis products should certainly contain the prescribed warning about impairment as all other edibles.

[Recommendation] For transdermal products, we recommend maintaining the same warning and packaging guidelines as edibles. For all other topical products, we recommend eliminating the language about "intoxicating effects." We further recommend that topicals be exempted from the child-resistant packaging requirements but that they include the disclaimer "For external use only. Do not ingest." This disclaimer would conform to norms in the cosmetics industry.

100 mg limit for packages/10 mg limit for servings: BPC § 26130(c)(2) : [Issue] --- A 10mg limit per serving a great way to help ensure new patients have a safe experience, and keeps California's regulations in parity with other legalized states. However, a 100mg per package limit is not appropriate for users who may require higher dosage, and patients will slowly learn their own tolerance and be able to set a sensible dose. Much of the cost of goods is burdened by labor, and packaging, so allowing an increased per package limit will help reduce costs of medicine for medical patients, and decrease overall environmental impact.

[Recommendation] Keep a 10mg limit for Adult Use consumers as well as the requirement to delineate or score, but increase the per package limit to 500mg or 1000mg

Single manufacturing license for A & M: CCR § 40115(c) and (d): [Issue] --- This seems to be a redundant cost for applicants seeking both license types, and one that is cost prohibitive for small businesses. Furthermore, dividing the market into two distinct tracks threatens the medicinal cannabis market. Businesses generally see the adult use market as more promising for growth potential and if forced to choose for economic or administrative reasons, they may choose adult use, leaving patients without sufficient products or retailers. For example a small business would need to maintain to completely separate supply chains from seed to sale losing out on economies of scale, and doubling a manufacturer's up front cost to service both markets.

[Recommendation] Please reevaluate whether there is an administrative need to have two license types for suppliers. If an applicant applies for both A&M licenses, is the state agency processing each application separately from start to finish? If not, it is recommended that the state allow a single application for both license types rather than charging to recover costs for two reviews when the process is only completed once. The A & M designations may be logical at the retail level, but not for suppliers.

Extend time to conduct business irrespective of M & A designation: CCR § 5029: Recommendation: Thank you for including this! It would be helpful if you could extend the time frame in which licensees may conduct business with other licensees irrespective of the M or A designation on their licenses. Businesses need more time to comply with regulations and this extension will allow legislators to pursue statutory change for a single state A&M license.

Shared spaces: CCR § 40190-40199: We are in full support and excited about shared manufacturing spaces! We urge you to define and

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communicate this legislation quickly as the lack of this legislation negatively impacts our equity partners/incubators and small manufacturers. Licensing fees have become a barrier to entry for small businesses and equity incubators. By allowing shared spaces, small businesses can afford to obtain zoning-compliant spaces and enter the regulated market.

Recommendation: We request you to consider allowing shared equipment for non extraction related equipment. With the proper GMP's and SOP's in place there should be little to no risk of cross contamination. This is similar for mobile bottlers in the alcohol industry or co-packers in the traditional food industry.

We urge you to avoid any language defining or capping square footage, number of employees or businesses per premise. There are significant safety measures put in place by the Fire Department as well as the Department of Public Health to address any concerns regarding limitations to shared food processing and building safety.

Finally, please allow licensees in shared spaces to have shared storage. This will help small businesses to afford the costs of compliance. Shared locked cages for product are economically practical and guidelines may be specified to ensure each licensee's products remain separate within the cage.

Promotional Samples: BPC § 26153, CCR § 5411(a) and (b), RTC § 34011(a)(1) and (e): [Issue] Sampling is the most effective way for patients to discover the treatment methods that work best for them through firsthand experience. Medical cannabis products can be high-priced, and patients may be reluctant to spend money to find the best method of intake for them. However samples can be both properly tested, and distributed through the track and trace system to safely allow patients to experience new products. Cannabis has been deemed by the state to be safe for recreational use by adults, and dispensaries can only admit consenting adults it's reasonable to assume sampling on-site can be done safely. We need to be able to offer sales samples to dispensary buyers. In order to grow our business effectively we need to be able to open up new accounts. The only way a dispensary will consider adding products to their menu is when they are able to sample the retail unit that they would purchase for patients and consumers.

[Recommendation] We propose samples be allowed for the purpose of patient education, and that they be distributed through licensed distributors using the same testing requirements as retail product. The chain of custody is preserved under the proposed safety compliance channels, ensuring sampling is a safe and effective way to educate.

We would like to see concessions that allow sales samples to be given away to prospective buyers as a B2B function. All retail units will go through the track and trace system, but a sensible allowance of 4% of product may be allocated for sales samples strictly for the purpose of B2B account establishment. We also recommend that for the purpose of B2B non-commercial sales prospecting, samples should be allowed to be delivered by type II distributors, as these products will not be for sale.

(a) (1) Effective January 1, 2018, a cannabis excise tax shall be imposed upon purchasers of cannabis or cannabis products sold in this state at the rate of 15 percent of the average market price of any retail sale by a cannabis retailer. A purchaser's liability for the cannabis excise tax is not extinguished until the cannabis excise tax has been paid to this state except that an invoice, receipt, or other document from a cannabis retailer given to the purchaser pursuant to this subdivision is sufficient to relieve the purchaser from further liability for the tax to which the invoice, receipt, or other document refers.

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(e) Cannabis or cannabis products shall not be sold to a purchaser unless the excise tax required by law has been paid by the purchaser at the time of sale. Sales and promotional samples should be exempt from excise tax, and these are B2B tools for business development, and not for commercial use. It's unreasonable to burden a sales sample with the full tax of a sellable product, and this will lead to more delays to getting product into the market which will ultimately drive more tax revenue for CA, and allow manufacturers to more quickly compete in the market.

Recommendation: Above, we outlined ways that we think manufacturers and distributors should be allowed to provide B2B samples, as well as consumer samples. We recommend that samples either be non-taxable items to match other industries, or, that they be taxed on the sample rate they were sold at instead of based on the standard markup

5411. Free Cannabis Goods: (a) A retailer shall not provide free cannabis goods to any person.

Despite the fact that cannabis has been legally available to qualified medical patients in California since 1996, there exists a huge knowledge gap among cannabis consumers, particularly new or returning adult-use consumers. A retailer's ability to offer free samples

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will go a long way in closing that knowledge gap, helping to educate consumers regarding efficacy, dosage, consumption methods, strength, quality, taste, smell and personal preference. Cannabis is not a one-size-fits-all product. Every body processes cannabis differently, and sampling will enable consumers to evaluate products based their specific and unique reactions prior to purchase. In addition, allowing manufacturers to offer samples to retailers will serve to educate retail staff who are often the first (and sometimes only) source of information for consumers.

The ability to give out free samples is especially important when considering cannabis compassion programs and the fact that the industry has a demonstrated commitment to helping those in need.

Recommendation: Adopt policy similar to the pharmaceutical industry where manufacturers are allowed to offer free samples to physicians who may then pass on the products to their patients. Mark sample products clearly as “not for sale” and limit the quantity/size of sample to a single serving/dose.

Sampling (for testing) in final form: BPC § 26100(b) & CCR § 5705(b) and (c): (ISSUE): Requiring the full battery of laboratory tests on every batch of final-form product is both economically onerous and scientifically unsound.

On the economic front, this will be a nearly insurmountable cost for small manufacturers. Testing each batch for potency, residuals, pesticides, microbiologicals, and heavy metals will end up costing many hundreds of dollars and likely result in delayed terms of payment for wholesale product. Small manufacturers will thus be asked to front thousands of dollars of capital for testing and will be forced to invest heavily in raw materials without being able to create revenue, or will be forced to create batches much larger than their sales volume, and edible products do have a shelf life. And even if a small manufacturer can afford all of the capital outlays, the additional cost will greatly burden their COG's and force them to pass along those costs to adult use consumers and medical patients.

For manufacturers and established manufacturing processes, this testing regimen is scientifically unsound. For a manufacturer our raw cannabis materials are tested before we incorporate them into our finished products. Our DPH-approved standard operating procedures (SOP's) and critical control points (CCP's) are designed in compliance with FDA and good manufacturing practices guidelines to ensure accurate potency and sanitary and safe manufacturing processes. Furthermore, the incorporation of other, non-cannabis raw materials into a finished product is no different than in many other regulated industries, such as food, beverages, and cosmetics, and it does not seem logical to hold us to higher laboratory testing requirements than those industries. We believe that the standards already laid out by the FDA and the CDPH protect public health and safety with regard to manufactured goods.

We would recommend requiring manufacturers to obtain full testing results for all cannabis raw materials (ingredients) and keep those results on file for an adequate period of time. Non-cannabis raw materials and other ingredients can be regulated in parity with FDA regulations as outlined in 21 CFR 117 Subpart G, which details the FDA verification process that ensures the safety of the ingredient supply-chain. And as for the final form product, we would recommend periodic testing once the previous two requirements are met.

Testing Manufactured Goods : ISSUE - A 10% MOE for edible cannabinoid testing is far too strict.

Recommendation: Allow a 20% margin - similar to current FDA food standards - especially in light of the current MOEs that most labs carry specific to edible products.

Batch Production Record & 2nd person for quality control: CCR § 40264: Recommendation: Allow flexible options for licensees to perform the verification. Please do not require that the person verifying be a formal employee of the licensee, as this will create a huge additional cost for licensees that can conduct most operations with a single operator, but can retain services from a qualified individual to perform the verification steps. Allow the SOPs to define the critical control points at which such verification is necessary and effective.

Reporting ownership changes to DPH: CCR § 40178: The licensee shall notify the Department of the addition or removal of an owner occurring any time between issuance of a license and submission of an application to renew the license within 10 calendar days of the change. The new owner shall submit the information required under Section 40130 to the Department. The Department shall review the qualifications of the owner in accordance with the Act and these regulations and determine whether the change would constitute grounds for denial of the license. The Department may approve the addition of the owner, deny the addition of the owner, or condition



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the license as appropriate, to be determined on a case-by-case basis.

Recommendation: Allow licensees 30 calendar days to notify the state.

Local taxation, and fair market burdens: The legalization of cannabis was meant to provide customers and patients with safe access to cannabis as well as provide the state with additional revenue. However many local jurisdictions have also imposed gross receipts tax on cannabis businesses that far outweighs the taxation on any other industry. Combined with state excise tax, and the complexity of the supply chain, this results in lower margins, and can make small businesses non-competitive with the larger market solely based on where they operate.

Recommendation: In order to give the entire industry a level playing field no matter where they operate, and to control the overall tax burden of a new industry, we propose capping county and municipal level local gross receipts taxes on manufacturers at 2%. Please also clarify tax collection as it relates to manufacturers.

Security Systems: CCR § 5044: Security systems are another barrier to entry for small businesses but there are a wide range of affordable systems which are extremely modern and up to date for those affordable cloud based services offer a maximum of 60 days of footage and record 5 minutes clips based on motion rather than 24-hour continuous recording. 24 hour continuous recording is more than any other industry and requires costly custom installations with large external storage systems. We love the idea of a cloud based system and it makes sense to set the regulations to match the standard met by the best modern security systems.

Recommendation: allow operators to capture 60 days of footage instead of 90, and allow footage to be captured when motion is detected rather than 24/7."

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FOR "Delivery/Retail Subcommittee:"

"5411. Free Cannabis Goods: (a) "A retailer shall not provide free cannabis goods to any person." -- {ISSUE} Despite the fact that cannabis has been legally available to qualified medical patients in California since 1996, there exists a huge knowledge gap among cannabis consumers, particularly new or returning adult-use consumers.

A retailer's ability to offer free samples will go a long way in closing that knowledge gap, helping to educate consumers regarding efficacy, dosage, consumption methods, strength, quality, taste, smell and personal preference. Cannabis is not a one-size-fits-all product. Every body processes cannabis differently, and sampling will enable consumers to evaluate products based their specific and unique reactions prior to purchase. In addition, allowing manufacturers to offer samples to retailers will serve to educate retail staff who are often the first (and sometimes only) source of information for consumers. The ability to give out free samples is especially important when considering cannabis compassion programs and the fact that the industry has a demonstrated commitment to helping those in need.

Recommendation: Adopt policy similar to the pharmaceutical industry where manufacturers are allowed to offer free samples to physicians who may then pass on the products to their patients. Mark sample products clearly as "not for sale" and limit the quantity/size of sample to a single serving/dose.

Promotional Samples: BPC § 26153, CCR § 5411(a) and (b), RTC § 34011(a)(1) and (e): ISSUE: Sampling is the most effective way for patients to discover the treatment methods that work best for them through firsthand experience. Medical cannabis products can be high-priced, and patients may be reluctant to spend money to find the best method of intake for them. However samples can be both properly tested, and distributed through the track and trace system to safely allow patients to experience new products. Cannabis has been deemed by the state to be safe for recreational use by adults, and dispensaries can only admit consenting adults. It's reasonable to assume sampling on-site can be done safely.

Recommendation: We propose samples be allowed for the purpose of patient education, and that they be distributed through licensed distributors using the same testing equipment as retail product. The chain of custody is managed under the regulated safety

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distributors using the same testing requirements as retail product. The chain of custody is preserved under the proposed safety compliance channels, ensuring sampling is a safe and effective way to educate.

(b) A licensed dispensary shall not allow representatives of other companies or organizations to provide free samples of medical cannabis goods to individuals on the licensed dispensary premises. {ISSUE} - Suppliers need to be able to offer sales samples to dispensary buyers. The only way a dispensary will consider adding products to their menu is when they are able to sample the retail unit that they would purchase for patients and consumers.

Recommendation: We would like to see concessions that allow sales samples to be given away to prospective buyers as a B2B function. All retail units will go through the track and trace system, but a sensible allowance of 4% of product may be allocated for sales samples strictly for the purpose of B2B account establishment. We also recommend that for the purpose of B2B non-commercial sales prospecting, samples should be allowed to be delivered by type II distributors, as these products will not be for sale.

(a) (1) Effective January 1, 2018, a cannabis excise tax shall be imposed upon purchasers of cannabis or cannabis products sold in this state at the rate of 15 percent of the average market price of any retail sale by a cannabis retailer: ISSUE -- Sales and promotional samples should be exempt from excise tax, and these are B2B tools for business development, and not for commercial use. It's unreasonable to burden a sales sample with the full tax of a sellable product, and this will lead to more delays to getting product into the market which will ultimately drive more tax revenue for CA. It also helps ensure that small suppliers can compete, facilitating the diversity of products offered to consumers.

Recommendation: We recommend that samples either be non-taxable items to match other industries, or, that they be taxed on the sample rate they were sold at instead of based on the standard markup.

5417. Methods of Delivery: (a) A retailer's delivery employee, carrying cannabis goods for delivery, shall only travel in an enclosed motor vehicle operated by a delivery employee of the licensee. {ISSUE} -- The last thing a busy municipality needs is more cars on their streets. Allowing deliveries to be conducted by delivery employees via scooter, motorcycle, bicycle or even on foot would help alleviate congested roadways, ensure faster, safer deliveries and cut down on harmful emissions to the environment. Cannabis storage in an enclosed and secured compartment is still possible in an unenclosed vehicle. In addition, prohibiting delivery vehicles from carrying no more than \$3,000 worth of inventory is counterproductive to public safety. This cap, which forces delivery drivers to make more frequent trips to and from the retailer, increases the likelihood that the driver will be a target of theft and other dangers. This is also less environmentally sound.

Recommendation: Method of delivery may be more appropriately regulated at the local level, given different population density and geography.

Remove the cap on inventory to allow a dynamic delivery model.

Do not require printed manifest for delivery.

Drivers should be able to get TNC (Transportation Network Company) numbers to share insurance and use the driver's personal vehicles. Lyft and Uber use this model successfully.

5420. Delivery Request Receipt: "A retailer shall prepare a delivery request receipt for each delivery of cannabis goods." {ISSUE} -- Type 9-Non-Storefront Retailers are prohibited from allowing public access to their premises. Requiring that the delivery request receipt include the address of the non-storefront retailer presents unnecessary and unsafe exposure for the non-storefront retailer. Not only does calling out the address invite criminal entities to the premises, it also signals to the consumer that their presence is allowed and encouraged.

Recommendation: Use the retailer's license number rather than address on the receipt. Tracking is still possible, but this method reduces security risks.

\* Related: Address of Type 9-Non-Storefront Retailers should not be listed on the BCC website for the same reasons listed above.

Expand allowable event locations: BPC § 26200(e) ISSUE: -- Offer the ability to host an event with the option to purchase single use permits or a repeating event permit. Allowable locations should be broadened beyond county fairs and district agricultural associations.

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permits or a repeating event permit. Allowable locations should be broadened beyond county fairs and district agricultural associations. Event licensing should not eliminate existing (pre-MAUCRSA) small businesses, many of which have served patients for years and are an important part of the community. Regulators are concerned about educating new consumers. Dinner parties, yoga classes, and small gatherings provide safe and legal consumption experiences. They are excellent opportunities for direct education, perhaps more impactful than a flyer or pamphlet because they are interesting and interactive. Tourists will be able to select a supervised/guided experience, rather than purchasing and consuming on the street (and receiving a citation) or in a hotel room alone. Such events also contribute to the normalization of cannabis. There is a substantial therapeutic benefit in combining cannabis with wellness activities.

In terms of criminal justice, the scarcity of consumption locations and opportunities for consumers to enjoy cannabis creates a new form of criminalization. Existing consumption opportunities are incredibly limited and cannot accommodate demand. The law encourages consumers to consume in violation of the law, by having legal ways to purchase without sufficient legal ways to consume. This is an equity issue, as consumption in public housing is not allowed. Those consumers will have limited legal options to consume compared to a person of greater means who owns their property and cannot be restricted from consuming in their home."

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FOR "Distribution Subcommittee":

"Taxation: The existing tax structure pushes small and medium sized businesses out. Recommendation: Shift cultivation tax to one percentage-based number at the point of sale. Shift excise tax liability to retailer, rather than having retailer pay distributor in advance before collecting the tax from the consumer.

Create greater efficiency and clarity in the tax. Makes it more transparent for consumers, who should understand the taxes they are paying.

Medical patients shouldn't have to pay the excise tax, which is essentially a 'sin tax.' Requiring this is like charging an excise tax on prescription medications.

Commercial vehicle ownership: Recommendation: Allow employees to incorporate and own their vehicles. This is more cost-effective. Follow the TNC model (Lyft/Uber).

Relabeling by distributors: CCR § 5303: A manufacturer places test results on label. Distributors can't relabel after test results, even if testing shows different values; they can relabel THC but not CBD, terpenes. There is also a related issue of different testing results from labs using different methodologies that should be corrected through standardization. Suppliers need to be able to tell the distributors which labs have protocols that are effective for the product type. Please clarify acceptable variance and whether products need to be relabeled if test results are within that margin.

Recommendation: Allow distributors to relabel for CBD and terpenes; standardize testing methodologies or allow suppliers to specify labs that utilize compatible methodologies; allow a 20% margin for different testing labs' results."

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For "Equity Subcommittee":

"Shared spaces: CCR § 40190-40199: We are in full support and excited about shared manufacturing spaces! We urge you to define and communicate this legislation quickly as the lack of this legislation negatively impacts our equity partners/incubators and small manufacturers. Licensing fees have become a barrier to entry for small businesses and equity incubators. By allowing shared spaces, small businesses can afford to obtain zoning-compliant spaces and enter the regulated market.

Recommendation: We request you to consider allowing shared equipment for non extraction related equipment. With the proper GMP's and SOP's in place there should be little to no risk of cross contamination. This is similar for mobile bottlers in the alcohol industry or co-packers in the traditional food industry.

We urge you to avoid any language defining or capping square footage, number of employees or businesses per premise. There are significant safety measures put in place by the Fire Department as well as the Department of Public Health to address any concerns

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significant safety measures put in place by the Fire Department as well as the Department of Public Health to address any concerns regarding limitations to shared food processing and building safety.

Finally, please allow licensees in shared spaces to have shared storage. This will help small businesses to afford the costs of compliance. Shared locked cages for product are economically practical and guidelines may be specified to ensure each licensee's products remain separate within the cage.

Extend time to conduct business irrespective of M & A designation: CCR § 5029: Licensees may 'cross over' between A and M until 6/30/18. The requirement of 2 separate licenses, when cannabis and products are subject to nearly identical quality control and public health requirements, creates an equity issue.

Recommendation: Thank you for including the 6 month transition period! It would be helpful if you could extend the time frame in which licensees may conduct business with other licensees irrespective of the M or A designation on their licenses. Please reevaluate whether this policy serves a critical public health and safety function or if another solutions would achieve that aim, with a lower administrative and cost burden to small businesses, which is especially acute for equity businesses."

-----  
FOR "Cultivation Subcommittee":

"Eliminate or moderate the Trim Tax: This substantially increases the expense for suppliers and consumers. Compassionate Use: Recommendation: Create policy that allows for and encourages donations to compassion programs. Associated tax and administrative provisions should not penalize suppliers who provide free goods to such programs.

Extend time to conduct business irrespective of M & A designation: CCR § 5029: Cultivators must designate a plant on the A or M track early on. Licensees may 'cross over' between A and M until 6/30/18.

Recommendation: Thank you for including this! It would be helpful if you could extend the time frame in which licensees may conduct business with other licensees irrespective of the M or A designation on their licenses. Please reevaluate whether this policy serves a critical public health and safety function or if another solutions would achieve that aim, with a lower administrative and cost burden to small businesses."

THANKS FOR SHARING! <3 We need ALL OF YOU TO HELP to ensure we have a fair, equitable industry that allows all business types & sizes to thrive!

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# #19

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 4:14:53 PM  
**Last Modified:** Wednesday, February 21, 2018 4:16:30 PM  
**Time Spent:** 00:01:36  
**IP Address:** 172.10.166.97

Page 1

**Q1** First Name (Optional)

Tony

**Q2** Last Name (Optional)

Bowles

**Q3** Organization (Optional)

Americans for Safe Access

**Q4** Title (Optional)

Chair of SF Chaper

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Equity Subcommittee**

**Q6 Feedback for Subcommittee**

For "Equity Subcommittee":

"Shared spaces: CCR § 40190-40199

We are in full support and excited about shared manufacturing spaces! We urge you to define and communicate this legislation quickly as the lack of this legislation negatively impacts our equity partners/incubators and small manufacturers. Licensing fees have become a barrier to entry for small businesses and equity incubators. By allowing shared spaces, small businesses can afford to obtain zoning-compliant spaces and enter the regulated market.

Recommendation: We request you to consider allowing shared equipment for non extraction related equipment. With the proper GMP's and SOP's in place there should be little to no risk of cross contamination. This is similar for mobile bottlers in the alcohol industry or co-packers in the traditional food industry.

We urge you to avoid any language defining or capping square footage, number of employees or businesses per premise. There are significant safety measures put in place by the Fire Department as well as the Department of Public Health to address any concerns regarding limitations to shared food processing and building safety.

Finally, please allow licensees in shared spaces to have shared storage. This will help small businesses to afford the costs of compliance. Shared locked cages for product are economically practical and guidelines may be specified to ensure each licensee's products remain separate within the cage.

Extend time to conduct business irrespective of M & A designation: CCR § 5029

Licensees may 'cross over' between A and M until 6/30/18. The requirement of 2 separate licenses, when cannabis and products are subject to nearly identical quality control and public health requirements, creates an equity issue.

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# #20

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 4:30:50 PM  
**Last Modified:** Wednesday, February 21, 2018 4:31:00 PM  
**Time Spent:** 00:00:09  
**IP Address:** 108.163.144.36

Page 1

**Q1** First Name (Optional) **Respondent skipped this question**

**Q2** Last Name (Optional) **Respondent skipped this question**

**Q3** Organization (Optional) **Respondent skipped this question**

**Q4** Title (Optional) **Respondent skipped this question**

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments. **Equity Subcommittee**

**Q6 Feedback for Subcommittee**

Shared spaces: CCR § 40190-40199

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# #21

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 4:26:06 PM  
**Last Modified:** Wednesday, February 21, 2018 4:35:39 PM  
**Time Spent:** 00:09:33  
**IP Address:** 172.58.19.217

Page 1

## Q1 First Name (Optional)

Charles

## Q2 Last Name (Optional)

Byrd

## Q3 Organization (Optional)

Nine Mile Tribe

## Q4 Title (Optional)

Chief Business Officer

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Equity Subcommittee**

## Q6 Feedback for Subcommittee

The current state annual application fees are “LOCAL EQUITY CANNABIS PROGRAM KILLERS.” For that reason, we recommend that the state temporarily defer the payment ANNUAL licensing fees by locally verified equity applicants. If these fees cannot be “waived” without a change in the regulations, in the alternative, we strongly recommend that through administrative action, applicants who can provide letters from their local authorizing bodies that they are:

1. verified equity applicants;
2. approved for local waiver of permitting fees; and,
3. the local authorizing body has approved funding assistance

be allowed to submit their annual applications and extended 120 days to pay the fees. Hopefully, with that 120-day extension period, either the state will eventually waive the fees or the local authorizing bodies will have released the promised equity funding assistance.

# #22

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 4:41:23 PM  
**Last Modified:** Wednesday, February 21, 2018 4:42:20 PM  
**Time Spent:** 00:00:57  
**IP Address:** 108.163.144.36

Page 1

**Q1** First Name (Optional)

adam

**Q2** Last Name (Optional)

swift

**Q3** Organization (Optional)

Phytologie oakland

**Q4** Title (Optional)

Concentrates Manager

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Equity Subcommittee**

**Q6 Feedback for Subcommittee**

"Shared spaces: CCR § 40190-40199

We are in full support and excited about shared manufacturing spaces! We urge you to define and communicate this legislation quickly as the lack of this legislation negatively impacts our equity partners/incubators and small manufacturers. Licensing fees have become a barrier to entry for small businesses and equity incubators. By allowing shared spaces, small businesses can afford to obtain zoning-compliant spaces and enter the regulated market.

Recommendation: We request you to consider allowing shared equipment for non extraction related equipment. With the proper GMP's and SOP's in place there should be little to no risk of cross contamination. This is similar for mobile bottlers in the alcohol industry or co-packers in the traditional food industry.

We urge you to avoid any language defining or capping square footage, number of employees or businesses per premise. There are significant safety measures put in place by the Fire Department as well as the Department of Public Health to address any concerns regarding limitations to shared food processing and building safety.

Finally, please allow licensees in shared spaces to have shared storage. This will help small businesses to afford the costs of compliance. Shared locked cages for product are economically practical and guidelines may be specified to ensure each licensee's products remain separate within the cage.

Extend time to conduct business irrespective of M & A designation: CCR § 5029

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Recommendation: Thank you for including the 6 month transition period! It would be helpful if you could extend the time frame in which licensees may conduct business with other licensees irrespective of the M or A designation on their licenses. Please reevaluate whether this policy serves a critical public health and safety function or if another solutions would achieve that aim, with a lower administrative and cost burden to small businesses, which is especially acute for equity businesses."

# #23

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 4:38:26 PM  
**Last Modified:** Wednesday, February 21, 2018 4:45:30 PM  
**Time Spent:** 00:07:04  
**IP Address:** 73.170.82.103

Page 1

## Q1 First Name (Optional)

Jon

## Q2 Last Name (Optional)

Heredia

## Q3 Organization (Optional)

Mirage

## Q4 Title (Optional)

COO / Legal Counsel

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Equity Subcommittee**

## Q6 Feedback for Subcommittee

When I saw the that SF created an equity program I was in disbelief, never have I seen a piece of legislation that actively tried to find pathways to transition people that have been harmed because of "America's Failed War on Drugs." As a minority and previously involved in the criminal justice system I surely see the value in the equity program. We are now looking to you all to model how it will become a reality, other states like New Jersey are inspired by what's happening here.

# #24

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 4:47:57 PM  
**Last Modified:** Wednesday, February 21, 2018 4:48:25 PM  
**Time Spent:** 00:00:27  
**IP Address:** 184.23.232.50

Page 1

**Q1** First Name (Optional)

David

**Q2** Last Name (Optional)

Hua

**Q3** Organization (Optional)

Meadow

**Q4** Title (Optional)

CEO

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Equity Subcommittee**

**Q6 Feedback for Subcommittee**

Shared spaces: CCR § 40190-40199

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Recommendation: We request you to consider allowing shared equipment for non extraction related equipment. With the proper GMP's and SOP's in place there should be little to no risk of cross contamination. This is similar for mobile bottlers in the alcohol industry or co-packers in the traditional food industry.

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# #25

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 4:56:20 PM  
**Last Modified:** Wednesday, February 21, 2018 4:57:14 PM  
**Time Spent:** 00:00:53  
**IP Address:** 107.77.214.199

Page 1

**Q1** First Name (Optional)

Ryan

**Q2** Last Name (Optional)

Miller

**Q3** Organization (Optional)

Operation EVAC/California Compassion Coalition

**Q4** Title (Optional)

Cofounder

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Equity Subcommittee**

**Q6 Feedback for Subcommittee**

Thank you for seeking community input toward the creation of a fantastic cannabis marketplace in our shared home of California.

The emergency regulations released in the Fall demonstrate that The State is listening to feedback and adjusting accordingly. The policy which allows for the compassionate exchange of philanthropic goods for medical cannabis patients is particularly encouraging. We still have work to do to ensure that the most vulnerable communities aren't left behind with Prop 64 and that the culture of compassion in California cannabis is restored.

Below are our initial policy recommendations.

Issue temporary emergency licenses for compassion programs pending the (postponed) nonprofit feasibility study deadline of January, 2020

Expand track and trace to include philanthropic exchanges of cannabis goods.

Incentivize philanthropy with tax credits instead of discouraging philanthropy with tax liabilities of "full-market value."

If bicycle delivery is unrealistic then offer no-interest loans to compassion programs to transition to secure vehicle transportation.

Expand equity to include compassion programs.

Expand equity to include military veterans.

Incentivize dispensaries to incubate compassion programs for shared secure storage, tracking, processing, and dispensing.

This would be a great start to creating a pathway to compliance for life-sustaining organizations serving the most vulnerable communities.

In service,  
Ryan Miller



# #26

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 4:46:18 PM  
**Last Modified:** Wednesday, February 21, 2018 4:57:15 PM  
**Time Spent:** 00:10:57  
**IP Address:** 216.9.30.134

Page 1

**Q1** First Name (Optional)

Raj

**Q2** Last Name (Optional)

JP

**Q3** Organization (Optional)

Jiva Life, LLC

**Q4** Title (Optional)

Managing Director & Business Development

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Equity Subcommittee**

**Q6** Feedback for Subcommittee

Having experience as cannabis retailers in the State Washington within the Seattle Greater Area, I am familiar with the trials and tribulations that come with this process of actually attaining a license to operate.

With that being said, as a minority in the cannabis industry pursuing various investment opportunities primarily within the retail space in California, we are thrilled that equity programs exist.

San Francisco has taken a step in the right direction recognizing the negative aspects that cannabis being labeled a schedule one drug and subsequently rectifying it. Individuals that have been affected by this should be given an equal opportunity to be involved in an industry that has now seen a dramatic evolution.

We also recognize that talent exists within all individuals regardless of their background and/or culture and support diversity on every level.

We are in support of the state honoring the programs that CA major cities have created and hope that others will be inspired by the holistic way CA is looking to roll our legalization.

# #27

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 4:49:09 PM  
**Last Modified:** Wednesday, February 21, 2018 4:59:11 PM  
**Time Spent:** 00:10:01  
**IP Address:** 76.21.51.62

Page 1

## Q1 First Name (Optional)

Andrea

## Q2 Last Name (Optional)

Greenberg

## Q3 Organization (Optional)

Society Jane

## Q4 Title (Optional)

Co-founder and Chief Counsel

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Equity Subcommittee**

## Q6 Feedback for Subcommittee

Hello, my name is Andy Greenberg and I co-own Society Jane, a non-storefront retail delivery service in San Francisco. We cater specifically to women. I appreciate all of the hard work that the committees have been doing, and have some comments below that I hope will help simplify the regulations and make them workable for small businesses like mine.

Equity:

Shared spaces: CCR § 40190-40199

We are in full support and excited about shared manufacturing spaces! We urge you to define and communicate this legislation quickly as the lack of this legislation negatively impacts our equity partners/incubators and small manufacturers. Licensing fees have become a barrier to entry for small businesses and equity incubators. By allowing shared spaces, small businesses can afford to obtain zoning-compliant spaces and enter the regulated market.

Recommendation: We request you to consider allowing shared equipment for non extraction related equipment. With the proper GMP's

## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

and SOP's in place there should be little to no risk of cross contamination. This is similar for mobile bottlers in the alcohol industry or co-packers in the traditional food industry.

We urge you to avoid any language defining or capping square footage, number of employees or businesses per premise. There are significant safety measures put in place by the Fire Department as well as the Department of Public Health to address any concerns regarding limitations to shared food processing and building safety.

Finally, please allow licensees in shared spaces to have shared storage. This will help small businesses to afford the costs of compliance. Shared locked cages for product are economically practical and guidelines may be specified to ensure each licensee's products remain separate within the cage.

Extend time to conduct business irrespective of M & A designation: CCR § 5029

Licensees may 'cross over' between A and M until 6/30/18. The requirement of 2 separate licenses, when cannabis and products are subject to nearly identical quality control and public health requirements, creates an equity issue.

Recommendation: Thank you for including the 6 month transition period! It would be helpful if you could extend the time frame in which licensees may conduct business with other licensees irrespective of the M or A designation on their licenses. Please reevaluate whether this policy serves a critical public health and safety function or if another solutions would achieve that aim, with a lower administrative and cost burden to small businesses, which is especially acute for equity businesses.

Packaging:

Packaging: CCR § 40415

A package used to contain a cannabis product shall adhere to the following requirements:

\*\*\*

(b) The package shall be tamper-evident, which means that the product shall be packaged in packaging that is sealed so that the contents cannot be opened without obvious destruction of the seal.

(c) The package shall be child-resistant. A package shall be deemed child-resistant if it satisfies the standard for "special packaging" as set forth in the Poison Prevention Packaging Act of 1970 Regulations (16 C.F.R. §1700.1(b)(4)) (Rev. December 1983), which is hereby incorporated by reference.

\*\*\*

(e) If the product is an edible product, the package shall be opaque.

(f) If the package contains more than one serving of cannabis product, the package shall be re-sealable so that child-resistance is maintained throughout the life of the package.

[Issue] Requiring child resistant packaging as stated in the proposed legislation creates significant waste. We urge you to consider the environmental impact from excessive packaging and redundancy.

Requiring child resistant packaging is also expensive. The certification process is time consuming and costly. Sourcing certified child resistant packaging is equally cost prohibitive for small manufacturers.

Washington state does not require child resistant packaging and have not seen safety issues as a result, and the consumer needs to take responsibility for keeping packaging out of hands of children. We believe there should be a balance regarding responsibility consumer and licensee responsibility.

Products for topical application should have more less child-resistant packaging requirements because the danger of ingestion for topicals is low. Topicals should be easy enough to open for those with arthritis. Topicals should not be required to be in child resistant packaging. Instead, should include language "for external use only. Do not eat".

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Requiring opaque packaging removes the consumer's ability to interact with a product before purchasing. With proper labeling the consumer is informed of the contents of the product. We would like to see the removal of the requirement that edibles be in opaque packaging.

[Recommendations] We are in full support of tamper-evident packaging. It's proven successful in preventing contaminated products getting into the hands of consumers across other well established industries. We support retailers using opaque child-resistant carry-out bags at the point of sale.

Different packaging requirements for topicals:

Different labeling requirements for topicals: BPC § 26120(c)(1)(B)

(B) For cannabis products: "GOVERNMENT WARNING: THIS PRODUCT CONTAINS CANNABIS, A SCHEDULE I CONTROLLED SUBSTANCE. KEEP OUT OF REACH OF CHILDREN AND ANIMALS. CANNABIS PRODUCTS MAY ONLY BE POSSESSED OR CONSUMED BY PERSONS 21 YEARS OF AGE OR OLDER UNLESS THE PERSON IS A QUALIFIED PATIENT. THE INTOXICATING EFFECTS OF CANNABIS PRODUCTS MAY BE DELAYED UP TO TWO HOURS. CANNABIS USE WHILE PREGNANT OR BREASTFEEDING MAY BE HARMFUL. CONSUMPTION OF CANNABIS PRODUCTS IMPAIRS YOUR ABILITY TO DRIVE AND OPERATE MACHINERY. PLEASE USE EXTREME CAUTION."

[Issue] Topical products should have different labeling requirements based on scientific evidence. Requiring a warning on the label of topical products that states that the product will impair the ability to drive etc, assumes that all cannabis topicals are formulated with a permeation enhancer as one would find in a transdermal product. The epidermis and dermis block migration of cannabinoids into the bloodstream. Without an efficacious delivery of cannabinoids into the circulatory or lymphatic systems, topical cannabis products cannot neither impair judgement or reaction timing, nor induce psychoactive effects. Transdermal cannabis products should certainly contain the prescribed warning about impairment as all other edibles.

[Recommendation] For transdermal products, we recommend maintaining the same warning and packaging guidelines as edibles. For all other topical products, we recommend eliminating the language about "intoxicating effects." We further recommend that topicals be exempted from the child-resistant packaging requirements but that they include the disclaimer "For external use only. Do not ingest." This disclaimer would conform to norms in the cosmetics industry.

100 mg limit for packages/10 mg limit for servings: BPC § 26130(c)(2) <-- DONE

(c) Edible cannabis products shall be:

(2) Produced and sold with a standardized concentration of cannabinoids not to exceed 10 milligrams tetrahydrocannabinol (THC) per serving.

[Issue] A 10mg limit per serving a great way to help ensure new patients have a safe experience, and keeps California's regulations in parity with other legalized states. However, a 100mg per package limit is not appropriate for users who may require higher dosage, and patients will slowly learn their own tolerance and be able to set a sensible dose. Much of the cost of goods is burdened by labor, and packaging, so allowing an increased per package limit will help reduce costs of medicine for medical patients, and decrease overall environmental impact.

[Recommendation] Keep a 10mg limit for Adult Use consumers as well as the requirement to delineate or score, but increase the per package limit to 500mg or 1000mg.

Single manufacturing license for A & M: CCR § 40115(c) and (d)

(c) A M-license is required in order to manufacture cannabis products for sale in the medicinal-use market.

(d) An A-license is required in order to manufacture cannabis products for sale in the adult-use market.

[Issue] This seems to be a redundant cost for applicants seeking both license types, and one that is cost prohibitive for small businesses. Furthermore, dividing the market into two distinct tracks threatens the medicinal cannabis market. Businesses generally see the adult use market as more promising for growth potential and if forced to choose for economic or administrative reasons, they may

## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

choose adult use, leaving patients without sufficient products or retailers. For example a small business would need to maintain to completely separate supply chains from seed to sale losing out on economies of scale, and doubling a manufacturer's up front cost to service both markets.

[Recommendation] Please reevaluate whether there is an administrative need to have two license types for suppliers. If an applicant applies for both A&M licenses, is the state agency processing each application separately from start to finish? If not, it is recommended that the state allow a single application for both license types rather than charging to recover costs for two reviews when the process is only completed once.

The A & M designations may be logical at the retail level, but not for suppliers.

Extend time to conduct business irrespective of M & A designation: CCR § 5029

Recommendation: Thank you for including this! It would be helpful if you could extend the time frame in which licensees may conduct business with other licensees irrespective of the M or A designation on their licenses. Businesses need more time to comply with regulations and this extension will allow legislators to pursue statutory change for a single state A&M license.

Shared spaces: CCR § 40190-40199

We are in full support and excited about shared manufacturing spaces! We urge you to define and communicate this legislation quickly as the lack of this legislation negatively impacts our equity partners/incubators and small manufacturers. Licensing fees have become a barrier to entry for small businesses and equity incubators. By allowing shared spaces, small businesses can afford to obtain zoning-compliant spaces and enter the regulated market.

Recommendation: We request you to consider allowing shared equipment for non extraction related equipment. With the proper GMP's and SOP's in place there should be little to no risk of cross contamination. This is similar for mobile bottlers in the alcohol industry or co-packers in the traditional food industry.

We urge you to avoid any language defining or capping square footage, number of employees or businesses per premise. There are significant safety measures put in place by the Fire Department as well as the Department of Public Health to address any concerns regarding limitations to shared food processing and building safety.

Finally, please allow licensees in shared spaces to have shared storage. This will help small businesses to afford the costs of compliance. Shared locked cages for product are economically practical and guidelines may be specified to ensure each licensee's products remain separate within the cage.

Promotional Samples: BPC § 26153, CCR § 5411(a) and (b), RTC § 34011(a)(1) and (e)

A licensee shall not give away any amount of cannabis or cannabis products, or any cannabis accessories, as part of a business promotion or other commercial activity

--

(a) A licensed dispensary shall not provide free samples of medical cannabis goods to any person.

[Issue] Sampling is the most effective way for patients to discover the treatment methods that work best for them through firsthand experience. Medical cannabis products can be high-priced, and patients may be reluctant to spend money to find the best method of intake for them. However samples can be both properly tested, and distributed through the track and trace system to safely allow patients to experience new products. Cannabis has been deemed by the state to be safe for recreational use by adults, and dispensaries can only admit consenting adults it's reasonable to assume sampling on-site can be done safely.

[Recommendation] We propose samples be allowed for the purpose of patient education, and that they be distributed through licensed distributors using the same testing requirements as retail product. The chain of custody is preserved under the proposed safety compliance channels, ensuring sampling is a safe and effective way to educate.

## Cannabis Advisory Committee: Subcommittee Input Survey for March 1 Meetings

(b) A licensed dispensary shall not allow representatives of other companies or organizations to provide free samples of medical cannabis goods to individuals on the licensed dispensary premises.

We need to be able to offer sales samples to dispensary buyers. In order to grow our business effectively we need to be able to open up new accounts. The only way a dispensary will consider adding products to their menu is when they are able to sample the retail unit that they would purchase for patients and consumers.

Recommendation: We would like to see concessions that allow sales samples to be given away to prospective buyers as a B2B function. All retail units will go through the track and trace system, but a sensible allowance of 4% of product may be allocated for sales samples strictly for the purpose of B2B account establishment. We also recommend that for the purpose of B2B non-commercial sales prospecting, samples should be allowed to be delivered by type II distributors, as these products will not be for sale.

(a) (1) Effective January 1, 2018, a cannabis excise tax shall be imposed upon purchasers of cannabis or cannabis products sold in this state at the rate of 15 percent of the average market price of any retail sale by a cannabis retailer. A purchaser's liability for the cannabis excise tax is not extinguished until the cannabis excise tax has been paid to this state except that an invoice, receipt, or other document from a cannabis retailer given to the purchaser pursuant to this subdivision is sufficient to relieve the purchaser from further liability for the tax to which the invoice, receipt, or other document refers.

\*\*\*

(e) Cannabis or cannabis products shall not be sold to a purchaser unless the excise tax required by law has been paid by the purchaser at the time of sale.

Sales and promotional samples should be exempt from excise tax, and these are B2B tools for business development, and not for commercial use. It's unreasonable to burden a sales sample with the full tax of a sellable product, and this will lead to more delays to getting product into the market which will ultimately drive more tax revenue for CA, and allow manufacturers to more quickly compete in the market.

Recommendation: Above, we have outlined ways that we think manufacturers and distributors should be allowed to provide B2B samples, as well as consumer samples. We recommend that samples either be non-taxable items to match other industries, or, that they be taxed on the sample rate they were sold at instead of based on the standard markup.

### 5411. Free Cannabis Goods

(a) A retailer shall not provide free cannabis goods to any person.

Despite the fact that cannabis has been legally available to qualified medical patients in California since 1996, there exists a huge knowledge gap among cannabis consumers, particularly new or returning adult-use consumers.

A retailer's ability to offer free samples will go a long way in closing that knowledge gap, helping to educate consumers regarding efficacy, dosage, consumption methods, strength, quality, taste, smell and personal preference. Cannabis is not a one-size-fits-all product. Every body processes cannabis differently, and sampling will enable consumers to evaluate products based their specific and unique reactions prior to purchase.

In addition, allowing manufacturers to offer samples to retailers will serve to educate retail staff who are often the first (and sometimes only) source of information for consumers.

The ability to give out free samples is especially important when considering cannabis compassion programs and the fact that the industry has a demonstrated commitment to helping those in need.

Recommendation: Adopt policy similar to the pharmaceutical industry where manufacturers are allowed to offer free samples to physicians who may then pass on the products to their patients. Mark sample products clearly as "not for sale" and limit the quantity/size of sample to a single serving/dose.

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Sampling (for testing) in final form: BPC § 26100(b) & CCR § 5705(b) and (c)

(b) The bureau shall develop criteria to determine which batches shall be tested. All testing of the samples shall be performed on the final form in which the cannabis or cannabis product will be consumed or used.

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(b) The laboratory may obtain and analyze samples only from batches in final form as required by Business and Professions Code section 26100.

(c) The laboratory shall collect both a primary sample and a field duplicate sample from each batch. The primary sample and field duplicate sample shall be stored and analyzed separately.

Requiring the full battery of laboratory tests on every batch of final-form product is both economically onerous and scientifically unsound.

On the economic front, this will be a nearly insurmountable cost for small manufacturers. Testing each batch for potency, residuals, pesticides, microbiologicals, and heavy metals will end up costing many hundreds of dollars and likely result in delayed terms of payment for wholesale product. Small manufacturers will thus be asked to front thousands of dollars of capital for testing and will be forced to invest heavily in raw materials without being able to create revenue, or will be forced to create batches much larger than their sales volume, and edible products do have a shelf life. And even if a small manufacturer can afford all of the capital outlays, the additional cost will greatly burden their COG's and force them to pass along those costs to adult use consumers and medical patients.

For manufacturers and established manufacturing processes, this testing regimen is scientifically unsound. For a manufacturer our raw cannabis materials are tested before we incorporate them into our finished products. Our DPH-approved standard operating procedures (SOP's) and critical control points (CCP's) are designed in compliance with FDA and good manufacturing practices guidelines to ensure accurate potency and sanitary and safe manufacturing processes. Furthermore, the incorporation of other, non-cannabis raw materials into a finished product is no different than in many other regulated industries, such as food, beverages, and cosmetics, and it does not seem logical to hold us to higher laboratory testing requirements than those industries. We believe that the standards already laid out by the FDA and the CDPH protect public health and safety with regard to manufactured goods.

We would recommend requiring manufacturers to obtain full testing results for all cannabis raw materials (ingredients) and keep those results on file for an adequate period of time. Non-cannabis raw materials and other ingredients can be regulated in parity with FDA regulations as outlined in 21 CFR 117 Subpart G, which details the FDA verification process that ensures the safety of the ingredient supply-chain. And as for the final form product, we would recommend periodic testing once the previous two requirements are met.

### Testing Manufactured Goods

A 10% MOE for edible cannabinoid testing is far too strict.

Recommendation: Allow a 20% margin - similar to current FDA food standards - especially in light of the current MOEs that most labs carry specific to edible products.

### Batch Production Record & 2nd person for quality control: CCR § 40264

Recommendation: Allow flexible options for licensees to perform the verification. Please do not require that the person verifying be a formal employee of the licensee, as this will create a huge additional cost for licensees that can conduct most operations with a single operator, but can retain services from a qualified individual to perform the verification steps. Allow the SOPs to define the critical control points at which such verification is necessary and effective.

### Reporting ownership changes to DPH: CCR § 40178

The licensee shall notify the Department of the addition, removal, or change of ownership of the licensee and



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The licensee shall notify the Department of the addition or removal of an owner occurring any time between issuance of a license and submission of an application to renew the license within 10 calendar days of the change. The new owner shall submit the information required under Section 40130 to the Department. The Department shall review the qualifications of the owner in accordance with the Act and these regulations and determine whether the change would constitute grounds for denial of the license. The Department may approve the addition of the owner, deny the addition of the owner, or condition the license as appropriate, to be determined on a case-by-case basis.

Recommendation: Allow licensees 30 calendar days to notify the state.

### Local taxation, and fair market burdens

The legalization of cannabis was meant to provide customers and patients with safe access to cannabis as well as provide the state with additional revenue. However many local jurisdictions have also imposed gross receipts tax on cannabis businesses that far outweighs the taxation on any other industry. Combined with state excise tax, and the complexity of the supply chain, this results in lower margins, and can make small businesses non-competitive with the larger market solely based on where they operate.

Recommendation: In order to give the entire industry a level playing field no matter where they operate, and to control the overall tax burden of a new industry, we propose capping county and municipal level local gross receipts taxes on manufacturers at 2%. Please also clarify tax collection as it relates to manufacturers.

### Security Systems: CCR § 5044

Security systems are another barrier to entry for small businesses but there are a wide range of affordable systems which are extremely modern and up to date for those affordable cloud based services offer a maximum of 60 days of footage and record 5 minutes clips based on motion rather than 24-hour continuous recording. 24 hour continuous recording is more than any other industry and requires costly custom installations with large external storage systems. We love the idea of a cloud based system and it makes sense to set the regulations to match the standard met by the best modern security systems.

Recommendation: allow operators to capture 60 days of footage instead of 90, and allow footage to be captured when motion is detected rather than 24/7.

### Delivery/Retail:

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In addition, allowing manufacturers to offer samples to retailers will serve to educate retail staff who are often the first (and sometimes only) source of information for consumers.

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Promotional Samples: BPC § 26153, CCR § 5411(a) and (b), RTC § 34011(a)(1) and (e)

A licensee shall not give away any amount of cannabis or cannabis products, or any cannabis accessories, as part of a business promotion or other commercial activity

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(a) A licensed dispensary shall not provide free samples of medical cannabis goods to any person.

Sampling is the most effective way for patients to discover the treatment methods that work best for them through firsthand experience. Medical cannabis products can be high-priced, and patients may be reluctant to spend money to find the best method of intake for them. However samples can be both properly tested, and distributed through the track and trace system to safely allow patients to experience new products. Cannabis has been deemed by the state to be safe for recreational use by adults, and dispensaries can only admit consenting adults. It's reasonable to assume sampling on-site can be done safely.

Recommendation: We propose samples be allowed for the purpose of patient education, and that they be distributed through licensed distributors using the same testing requirements as retail product. The chain of custody is preserved under the proposed safety compliance channels, ensuring sampling is a safe and effective way to educate.

(b) A licensed dispensary shall not allow representatives of other companies or organizations to provide free samples of medical cannabis goods to individuals on the licensed dispensary premises.

Suppliers need to be able to offer sales samples to dispensary buyers. The only way a dispensary will consider adding products to their menu is when they are able to sample the retail unit that they would purchase for patients and consumers.

Recommendation: We would like to see concessions that allow sales samples to be given away to prospective buyers as a B2B function. All retail units will go through the track and trace system, but a sensible allowance of 4% of product may be allocated for sales samples strictly for the purpose of B2B account establishment. We also recommend that for the purpose of B2B non-commercial sales prospecting, samples should be allowed to be delivered by type II distributors, as these products will not be for sale.

(a) (1) Effective January 1, 2018, a cannabis excise tax shall be imposed upon purchasers of cannabis or cannabis products sold in this state at the rate of 15 percent of the average market price of any retail sale by a cannabis retailer. A purchaser's liability for the cannabis excise tax is not extinguished until the cannabis excise tax has been paid to this state except that an invoice, receipt, or other document from a cannabis retailer given to the purchaser pursuant to this subdivision is sufficient to relieve the purchaser from further liability for the tax to which the invoice, receipt, or other document refers.

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(e) Cannabis or cannabis products shall not be sold to a purchaser unless the excise tax required by law has been paid by the purchaser at the time of sale.

Sales and promotional samples should be exempt from excise tax, and these are B2B tools for business development, and not for commercial use. It's unreasonable to burden a sales sample with the full tax of a sellable product, and this will lead to more delays to getting product into the market which will ultimately drive more tax revenue for CA. It also helps ensure that small suppliers can compete, facilitating the diversity of products offered to consumers.

Recommendation: We recommend that samples either be non-taxable items to match other industries, or, that they be taxed on the sample rate they were sold at instead of based on the standard markup.

### 5417. Methods of Delivery

(a) A retailer's delivery employee carrying cannabis goods for delivery shall only travel in an enclosed motor vehicle operated by a

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(d) A retailer's delivery employee, carrying cannabis goods for delivery, shall only travel in an enclosed motor vehicle operated by a delivery employee of the licensee.

The last thing a busy municipality needs is more cars on their streets. Allowing deliveries to be conducted by delivery employees via scooter, motorcycle, bicycle or even on foot would help alleviate congested roadways, ensure faster, safer deliveries and cut down on harmful emissions to the environment.

Cannabis storage in an enclosed and secured compartment is still possible in an unenclosed vehicle.

In addition, prohibiting delivery vehicles from carrying no more than \$3,000 worth of inventory is counterproductive to public safety. This cap, which forces delivery drivers to make more frequent trips to and from the retailer, increases the likelihood that the driver will be a target of theft and other dangers. This is also less environmentally sound.

Recommendation: Method of delivery may be more appropriately regulated at the local level, given different population density and geography.

Remove the cap on inventory to allow a dynamic delivery model.

Do not require printed manifest for delivery.

Drivers should be able to get TNC (Transportation Network Company) numbers to share insurance and use the driver's personal vehicles. Lyft and Uber use this model successfully.

### 5420. Delivery Request Receipt

A retailer shall prepare a delivery request receipt for each delivery of cannabis goods.

(a) The delivery request receipt shall contain the following:

(1) The name and address of the retailer

Type 9-Non-Storefront Retailers are prohibited from allowing public access to their premises. Requiring that the delivery request receipt include the address of the non-storefront retailer presents unnecessary and unsafe exposure for the non-storefront retailer. Not only does calling out the address invite criminal entities to the premises, it also signals to the consumer that their presence is allowed and encouraged. My company is a small, woman-owned business, and frequently only one or two of us is in the office working, sometimes after dark. If we knew that our address was public, it would create a huge sense of danger and insecurity in exiting the building and being inside alone.

Recommendation: Use the retailer's license number rather than address on the receipt. Tracking is still possible, but this method reduces security risks.

Related: Address of Type 9-Non-Storefront Retailers should not be listed on the BCC website for the same reasons listed above.

Expand allowable event locations: BPC § 26200(e)

(e) This division does not prohibit the issuance of a state temporary event license to a licensee authorizing onsite cannabis sales to, and consumption by, persons 21 years of age or older at a county fair or district agricultural association event, provided that the activities, at a minimum, comply with the requirements of paragraphs (1) to (3), inclusive, of subdivision (g), that all participants are licensed under this division, and that the activities are otherwise consistent with regulations promulgated and adopted by the bureau governing state temporary event licenses. These temporary event licenses shall only be issued in local jurisdictions that authorize such events.

Offer the ability to host an event with the option to purchase single use permits or a repeating event permit. Allowable locations should be broadened beyond county fairs and district agricultural associations. Event licensing should not eliminate existing (pre-MAUCRSA) small businesses, many of which have served patients for years and are an important part of the community.

Regulators are concerned about educating new consumers. Dinner parties, voaa classes, and small gatherings provide safe and legal

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consumption experiences. They are excellent opportunities for direct education, perhaps more impactful than a flyer or pamphlet because they are interesting and interactive. Tourists will be able to select a supervised/guided experience, rather than purchasing and consuming on the street (and receiving a citation) or in a hotel room alone.

Such events also contribute to the normalization of cannabis. There is a substantial therapeutic benefit in combining cannabis with wellness activities.

In terms of criminal justice, the scarcity of consumption locations and opportunities for consumers to enjoy cannabis creates a new form of criminalization. Existing consumption opportunities are incredibly limited and cannot accommodate demand. The law encourages consumers to consume in violation of the law, by having legal ways to purchase without sufficient legal ways to consume.

This is an equity issue, as consumption in public housing is not allowed. Those consumers will have limited legal options to consume compared to a person of greater means who owns their property and cannot be restricted from consuming in their home.

Thank you for your time and consideration.

# #28

**Collector:** Web Link 1 (Web Link)  
**Started:** Wednesday, February 21, 2018 4:56:17 PM  
**Last Modified:** Wednesday, February 21, 2018 4:59:34 PM  
**Time Spent:** 00:03:17  
**IP Address:** 73.70.89.81

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**Q1** First Name (Optional)

Nina

**Q2** Last Name (Optional)

Parks

**Q3** Organization (Optional)

Mirage Medicinal/ Supernova Women

**Q4** Title (Optional)

Respondent skipped this question

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Equity Subcommittee**

## Q6 Feedback for Subcommittee

Hello I remember that the Sub Committee asked for more info on existing programs.  
Here are links the existing ordinance

LA: [cannabis.lacity.org/resources](http://cannabis.lacity.org/resources)

SF: [officeofcannabis.sfgov.org/equity](http://officeofcannabis.sfgov.org/equity)

Oakland: [www2.oaklandnet.com/government/o/CityAdministration/OAK064043](http://www2.oaklandnet.com/government/o/CityAdministration/OAK064043) OR [bit.ly/2ns9Hd2](http://bit.ly/2ns9Hd2)

Shared spaces: CCR § 40190-40199

We are in full support and excited about shared manufacturing spaces! We urge you to define and communicate this legislation quickly as the lack of this legislation negatively impacts our equity partners/incubators and small manufacturers. Licensing fees have become a barrier to entry for small businesses and equity incubators. By allowing shared spaces, small businesses can afford to obtain zoning-compliant spaces and enter the regulated market.

Recommendation: We request you to consider allowing shared equipment for non extraction related equipment. With the proper GMP's and SOP's in place there should be little to no risk of cross contamination. This is similar for mobile bottlers in the alcohol industry or co-packers in the traditional food industry.

We urge you to avoid any language defining or capping square footage, number of employees or businesses per premise. There are significant safety measures put in place by the Fire Department as well as the Department of Public Health to address any concerns regarding limitations to shared food processing and building safety.

Finally, please allow licensees in shared spaces to have shared storage. This will help small businesses to afford the costs of compliance. Shared locked cages for product are economically practical and guidelines may be specified to ensure each licensee's products remain separate within the cage.

Extend time to conduct business irrespective of M & A designation: CCR § 5029

Licensees may 'cross over' between A and M until 6/30/18. The requirement of 2 separate licenses, when cannabis and products are subject to nearly identical quality control and public health requirements, creates an equity issue.

Recommendation: Thank you for including the 6 month transition period! It would be helpful if you could extend the time frame in which licensees may conduct business with other licensees irrespective of the M or A designation on their licenses. Please reevaluate whether this policy serves a critical public health and safety function or if another solutions would achieve that aim, with a lower administrative and cost burden to small businesses, which is especially acute for equity businesses.

# #29

**Collector:** Web Link 1 (Web Link)  
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**Last Modified:** Wednesday, February 21, 2018 8:02:37 PM  
**Time Spent:** 00:06:07  
**IP Address:** 184.63.163.200

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## Q1 First Name (Optional)

Monique

## Q2 Last Name (Optional)

Ramirez

## Q3 Organization (Optional)

Covelo Cannabis Advocacy Group

## Q4 Title (Optional)

Founder

**Q5** Please choose the one subcommittee to which you would like your feedback to be sent. Note: You may submit feedback to as many subcommittees as you wish. Simply click on the link again to submit additional comments.

**Equity Subcommittee**

## Q6 Feedback for Subcommittee

Please change the cultivation tax structure, it doesnt make sense to charge cultivators a \$ amount of \$148 when prices are constantly changing. It should be based on a %!!! Also taking into consideration the 280E provisions federally for tax reporting, cultivators are already at a huge disadvantage solely based on what they are not able to write off as expenses etc. This hurts their business and it pertains to all cannabis businesses. Please review this and seek to make revisions!