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JOINT SENATE AND HOUSE DEMOCRATIC POLICY COMMITTEE

Policy Hearing:
Responsible Adult Use Cannabis

Monday, April 29, 2019 at 10:00 a.m.
Hearing Room 1, North Office Building, Harrisburg, PA

AGENDA

- 10:00** **Call to Order & Opening Remarks**
 Senator Lisa M. Boscola, Chair
 Representative Mike Sturla, Chair
- 10:15** **John Fetterman**, Lieutenant Governor of Pennsylvania
- 10:25** **Roz McCarthy**, Founder/CEO, Minorities for Medical Marijuana
 Judy Wicks, Entrepreneur/ Founder, Sustainable Business Network
 & Proud Pennsylvania
 Corinne Ogrodnik, CEO/Cofounder, Maitri Medicinals
 Steve Reilly, General Counsel, INSA
- 11:00** **John Adams**, Berks County District Attorney, Pennsylvania District
 Attorneys Association
 William Jones, Communications & Outreach Associate, Smart
 Approaches to Marijuana
- 11:20** **Larry Krasner**, District Attorney of Philadelphia
 Patrick Nightingale, Attorney, Pittsburgh NORML
 Brad Winnick, President, Pennsylvania Association of Criminal
 Defense Lawyers
 Gabriel Perlow, Chair of Adult Use Committee, Pennsylvania
 Cannabis Coalition
- 11:55** **Closing Remarks**

M4MM National Programs



Making A Difference! Making An Impact!

Minorities for Medical Marijuana, Inc. (M4MM) is organized as a non-profit organization with its corporate office based in Orlando, Florida. The organization was established in May 2016 and currently has 22 state chapter locations and 2 international locations in Toronto, Canada and Jamaica respectively.

M4MM's mission is focused on providing advocacy, outreach, research, and training as it relates to the business, social justice, public policy, and health /wellness in the cannabis industry.

Ready Set Grow- College intern and workforce apprentice program aimed at creating hands on training experiences in the hemp and cannabis industry. Hinton Battle, Director of HBCU Outreach

Herban Pharm- Hemp farming and technology advocacy, education, and resources for today's urban farmer. Dr. Jackson Garth, DBA Director of Hemp Technology and Public Policy

Vets with Voices- Giving a voice to vets and their experience with Cannabis while fighting the effects of PTSD and other medical debilitating illnesses. Leo Bridgewater, National Director of Veteran Outreach

LatinX- Hispanic outreach program providing a full spectrum of cannabis culturally competent education, information, and resources. Rani Soto, National Director of LatinX Outreach

Let's Talk Cannabis- Community education forums focused on providing the most updated and relevant state specific cannabis public policy and legalization updates.

Health is Wealth- CBD and Cannabis Education demystifying the plant and promoting good health while breaking stigmas along the way. Dr. Monica Taing, National Director of Research and Clinical Education

Project Clean Slate: Expungement fair and wrap around services for those affected by past marijuana possession charges. Erik Range, M4MM Board Chair

ASK US HOW YOU CAN GET INVOLVED WITH ONE OF OUR NATIONAL PROGRAMS!

FOR MORE INFORMATION:

M4MMUNITED@GMAIL.COM | 877.900.0832 | WWW.M4MMUNITED.ORG

PA-Cannabis Legalization an Opportunity to Advance Social Justice & Social Equity
Social Justice- justice in terms of the distribution of wealth, opportunities, and privileges within a society.

Social Equity- Social equity is the means used to help to redress past injuries

- **Introduction-** M4MM/ Roz McCarthy, Founder/ CEO
- **Current Situation**
- **Legalization by the Numbers**
- **Industry Revenue Prediction**
- **# of new businesses**
- **Jobs Created**
- **Tax Revenue Collected**
- **PA Population**
- **PA Marijuana Offenses**
- **Cost to house an inmate in PA**
- **Recidivism Rate**

A Case for Social Equity: Impacting Communities and Changing Lives

- **Social Equity Business Model-** Policy supports low barrier to entry levels (provide technical assistance, no caps, low fees, reasonable zoning, and broad range of licensing categories)
- **Social Equity Criminal Justice Model-** Policy supports decriminalization and expungement (automatic clearing of records with minor possession charges)
- **Social Equity Community Reinvestment Model-** tax revenue collected reinvest in community programs, cannabis education, workforce development, and social services for communities impacted the most during war on drugs era.
- **Social Equity Youth Prevention Model-** Budget Appropriation-Youth Cannabis Education and Prevention (focus on at risk communities)
- **Social Equity Public Health and Safety Model-** Budget Appropriation/Policy -Community Education and Safety Model (Social Consumption Lounges)
- **Social Equity Workforce Development Model-** Tax Revenue- Career Exploration and Workforce Development Opportunities and Education
- **Social Equity Supplier Diversity/Economic Development Model-Policy-** Promote and measure diversity among all licensing applicants.

FOR MORE INFORMATION:

M4MMUNITED@GMAIL.COM | 877.900.0832 | WWW.M4MMUNITED.ORG

Testimony of Judy Wicks
Joint Senate & House Democratic Policy Committee
Responsible Adult Use Cannabis
Monday, April 29, 2019

Biographical Background

My name is Judy Wicks and I am a life long Pennsylvanian and entrepreneur. I moved from Pittsburgh to Philadelphia in 1970 to cofound my first business, which is now called Urban Outfitters (with which I am no longer affiliated.) In 1983, I founded White Dog Cafe, a nationally known pioneer in the farm to table movement, which I operated for 26 years until 2010, when I retired from business to devote myself full time to my community work.

I have founded several non-profit organizations dedicated to building local economies, including Fair Food Philly in 2000, with the mission of connecting family farmers with the urban marketplace. In 2001, I founded the Sustainable Business Network of Greater Philadelphia, now with over 400 members. In that year, I also cofounded the nationwide Business Alliance for Local Living Economies, based in Oakland, CA. More recently, in 2015, I founded and continue to run the Circle of Aunts & Uncles, which provides low interest loans and advice to local entrepreneurs without sufficient family & friends stage capital. A year ago, I founded Proud Pennsylvania with a mission to unite rural and urban communities around building sustainable and just regional economies that produce basic needs locally.

I am author of Good Morning, Beautiful Business, 2016, which won a national gold medal for business leadership and has been translated into Chinese and Korean.

Support for local business ownership

Over the last 20 year I have been working to build an alternative to the corporate controlled global food system – one that builds regional self-reliance and benefits Pennsylvania farmers and local businesses. By strengthening the local supply chains connecting farmers with the urban marketplace, the local food movement has saved many a family farm while bringing healthy local food to our urban communities.

Likewise, the legalization of adult use cannabis provides the opportunity to create a locally based economy that benefits our rural communities who have been left behind by globalization as well as our urban communities who have been ravaged by the war on drugs. The state legislature has been given a unique opportunity to imagine the marijuana industry as we want it to be in Pennsylvania.

Prohibition has created unnatural conditions, and without proper government regulation, the golden opportunity of a new industry could simply make the rich richer, while shutting out our local farmers and entrepreneurs. We have seen how the corporate dominated global economy has created corporate oligarchies in many industries that suck capital from our communities causing great wealth inequality, while laying waste to our natural environment through extraction and pollution.

Some may say that Big Weed is inevitable, that large corporations, whether they be big tobacco, big alcohol, big Pharm or big Ag will control the cannabis marketplace and that we may as well surrender. But we must never surrender to corporate rule. We must defend our freedom and fight for justice. Lets make sure that state legislation protects the rights of our citizens and does the most good for the most number of Pennsylvanians.

Building Local Supply Chains

In my work supporting local entrepreneurs in the food industry, I have seen first hand the advances in building our local supply chains into regional economies. Urban bread makers buying from Pennsylvania heritage grain farmers. Urban ice cream makers buying from Pennsylvania dairy farmers. Urban butchers buying meat and poultry from Pennsylvania ranchers and farmers. We can do the same in this new cannabis industry, building local supply chains from grower to processor to distributor to retailer that support local ownership at every stage.

As much as legally possible, state regulation should protect access to the lucrative cannabis industry for our locally owned farms and businesses. When the time comes that marijuana grown elsewhere can legally be sold in Pennsylvania, a few large corporations could flood the market with cheap, generic marijuana, running small-scale growers out of business. To help counter this, our state could launch market-based campaigns such as the successful Pennsylvania Preferred has done for locally grown food.

Craft Weed

We can learn much from the triumph of the craft beer industry, where local breweries are successfully competing with Big Beer across the country, often helping to revitalize small towns. Ryan Stoa's book *Craft Weed* argues that the future of the marijuana industry should be powered by small farms—that its model should be more craft beer than Anheuser-Busch. He advocates for the benefits of small-scale “craft” cannabis farming as a means of rebuilding America's agricultural heritage and preventing the rise of marijuana monopolies.

To protect and promote small farmers, Stoa proposes a Marijuana Appellation system, modeled after the wine industry, which would provide a certified designation of origin to local crops. He writes, “For the consumer, designations of origin provide transparency and protection. In the prohibition era, most marijuana transactions took place in the streets. Consumers typically had no idea where their marijuana came from. Chances were good it came from Mexican cartels. But now that American farmers are supplying consumers with quality marijuana, a certified designation of origin would provide some measure of transparency by relaying important information to the consumer.”

Appellation certification would be easy in a localized system, and very difficult in a global commodity-based system. This is an example of how state legislation could legally restrict marijuana as an imported commodity.

Reimagining Growth

Our corporate controlled global economy is driven by maximizing profits rather than maximizing the well-being of our communities and natural environment. Grow or die is the mantra of corporate globalization, yet continual growth on a finite planet is eroding Earth's capacity to support life.

Chain stores and national brands are like invasive species, spreading across the world smothering out local businesses. Alternatively, business can grow as nature grows - deeper in place to become more complex, more diverse, more creative and more adaptive to the needs of the ecosystem. We can reimagine growth in our emerging cannabis industry where farmers and entrepreneurs grow deeper in place to produce unique products that better serve the diverse medical and recreational needs of their communities.

While large corporations suck capital from our communities, local businesses build community wealth. The more business ownership is decentralized, the wider wealth and power are spread, increasing equality. Cooperatively owned businesses expand the opportunity for more people who may otherwise not have the resources to start a business on their own. The state can support the growth of cooperatively owned cannabis businesses through access to capital and training.

The time to legalize is now

In talking with local brewers, I have learned that the beer industry in the US was set back by prohibition, so that our grain and malt cannot compare with the European farmers and maltsters who have been at this business for hundreds of years. Only since the rise of craft beer are we beginning to make headway in developing local supply chains to connect brewers with local Pennsylvania grain farmers to produce quality barley and malt.

So too, are Pennsylvania farmers held back by prohibition in developing expertise in the cultivation of cannabis. The sooner we end marijuana prohibition in Pennsylvania, the better prepared our local farmers and entrepreneurs will be to compete with companies coming from states who have already legalized.

Public health

For those who fear legalization will negatively effect public health, I would like to recount my experience in leading two drug study tours to Amsterdam in 2000 and 2001 during which we studied Dutch drug policy in comparison to the US war on Drugs. On the tour were a former DA, a prison official, a pediatrician and others who wanted to try marijuana legally and learn from experts on the consequences of legalization. This was almost 20 years ago, and conditions may have changed, but we can learn much from that study.

The Dutch regulate marijuana much as we do alcohol – restricting purchasing to those 18 and over from businesses licensed and regulated by the government. On this tour we met with local sociologists, doctors, professors, and politicians, and learned that the Dutch consider marijuana to be a form of self-medication, which along with alcohol, nicotine, and other drugs, humans have used throughout time. Although alcohol is the most popular drug of choice in the Netherlands, as it is in all European societies, it is also recognized to be the most toxic and harmful, and thought to promote violent behavior. A factor in over 95% of Dutch domestic abuse cases, alcohol is banned at Dutch soccer games, while marijuana is not.

Alternatively, drugs that originated in indigenous cultures from other parts of the world, such as marijuana, hashish, psychedelic mushrooms, opium and cocaine are seen to have relatively little toxicity, and have been used for centuries to relieve stress and pain, and create a peaceful, harmonious environment. Misuse of drugs and addiction were relatively rare in Dutch society, which they attribute to educating their youth in an honest way about the pros and cons of self-medicating with each type of drug from nicotine to opioids. At the heart of the Dutch philosophy is what they call an internal “locus of control.” Children are taught from an early age that they are responsible for making the right choices concerning their own lives, rather than relying on regulations enforced by outside authorities such as parents, teachers, and police. When we toured neighborhoods in Amsterdam, a sociologist pointed out that the college students we observed were gathered in a crowded bar drinking beer, while the coffee shop dispensary next door was empty. Honest education for our citizens, especially our young people, is an important part of legalization. What are the real benefits and risks of marijuana use? Lets be honest and clear.

And speaking of honesty, lets acknowledge that many Americans in every class have used marijuana since the sixties and before, and have found that it can relieve stress and pain, provide a good nights sleep, enhance love-making, reduce violence and traffic accidents, remove barriers to creativity, and provide a healthy alternative to alcohol for social occasions. Yet many Americans, especially in communities of color, have been unjustly brutalized by the war on drugs for bringing this beneficial product to market, when their other avenues to wealth building have been blocked. Now that the well-to-do are capitalizing on the green gold rush, government must seek justice and level the playing field by expunging the criminal records of marijuana drug law offenders, releasing those still imprisoned and helping communities harmed by the drug war to enter the lawful marijuana industry.

As Ryan Stoa points out, “While many people might be uncomfortable with normalizing marijuana, spreading the opportunities and benefits to many, rather than a few, will make it easier for politicians and their constituents to accept legalization.”



Subject: Written Testimony for Joint Senate & House Democratic Policy Committee Hearing

Topic: Responsible Adult Use Cannabis in Pennsylvania

Participant: Corinne Ogrodnik

Title: Chief Executive Officer of Maitri Medicinals, LLC, a medical marijuana permittee in PA

Contact info: contact@maitrimeds.com

Dear Sir and Madam,

Thank you for the opportunity to submit written testimony in regards to Responsible Adult Use Cannabis in Pennsylvania. As the owner and operator of a medical marijuana organization in Southwestern Pennsylvania, it is a privilege to provide to you my input on this topic.

- 1) **Current Pennsylvania Medical Marijuana Permittees/Operators are Best Prepared to Support Implementation of a Responsible Adult Use Program in the Commonwealth.** Medical marijuana permittees currently operating in Pennsylvania have undergone a rigorous application and vetting process with the Department of Health, as well as developed highly secure and compliant facilities to support implementation of the Pennsylvania Medical Marijuana Program. Current medical permittees possess the compliance and operational expertise needed to ensure accountability and adherence to complex regulations and diversion prevention. Current permittees also possess the informational and educational wherewithal to support responsible adult use of marijuana. Therefore, current permittees are best prepared with the security, compliance, operational and educational infrastructure necessary to support implementation of a responsible adult use program.
- 2) **A Responsible Adult Use Program Should Mirror the Pennsylvania Medical Marijuana Program from an Operational Perspective to ensure compliance, safety and transparency.** At least for the early stages of the program, the only difference between the medical and adult use program should be that non-medical consumers are required to show their state-issued ID at reception, while a medical patient shows their medical card, and non-medical consumers pay taxes at the register, while medical patients do not. Other than these two differences, the adult use and medical marijuana programs should be identical.
- 3) **A Responsible Adult Use Program Provides Adults with the Choice to Access an Important Option to Improve Quality of Life.** We have witnessed incredible improvements in our patients' quality of life as a result of medical marijuana. Some of our patients' lives have literally been transformed by access to marijuana. We believe there is an important wholistic and wellness component to marijuana therapy that should not be limited to people with a specific condition.
- 4) **A Responsible Adult Use Program Would Help to Ameliorate Citizen Concerns Over Second Amendment and Privacy Rights.** We have heard from countless constituents that they very much want to become a medical patient but have extreme reluctance to join the program for fear of losing their second amendment rights and because of privacy issues. We believe an adult use program provides adults with the choice to access an important option while ameliorating concerns over second amendment rights and privacy issues.

Written Testimony of:

Stephen M. Reilly, Jr., Partner/General Counsel
I.N.S.A., Inc. d/b/a Insa
506 Cottage Street
Springfield, MA 01104

and

Shamokin Dam Borough, Snyder County, PA
(under construction no address issued)

To:

Pennsylvania Joint Senate and House
Democratic Policy Committee
Senator Lisa M. Boscola, Chair
Representative P. Michael Sturla, Chair

Date:

April 29, 2019

Re:

Responsible Adult Use Cannabis in Pennsylvania

Introduction

Members of the Committee, thank you for the opportunity to provide testimony as you consider expansion of the cannabis industry in Pennsylvania to include adult use sales.

My name is Stephen M. Reilly, Jr. I am an attorney admitted to practice in Massachusetts and Connecticut with offices at 281 State Street, Springfield, MA. I am a partner, co-founder, and general counsel to I.N.S.A., Inc. d/b/a Insa, a vertically integrated cannabis company in Massachusetts and Pennsylvania. I am responsible for Insa's compliance, government relations, licensing, business development, and legal considerations. A significant portion of my legal experience relates to real estate, business development, and licensing for cannabis, alcohol, gaming, and entertainment.

Insa's operations in Massachusetts include cannabis cultivation, processing and packaging in its Easthampton facility which is now under expansion to 90,000 +/- s.f. Upon completion, the facility with its dispensary, lab, kitchen, and packaging areas, will be one of the largest in the Commonwealth and will consist of state of the art industry elements. Insa produces a number of traditional and non-traditional products for the consumption of cannabis including flower, concentrates, distillate, edibles, tinctures, beverages, and pills among many others. Insa products are carried in dispensaries throughout Massachusetts and Insa conducts all transport operations for sales of its products to other operators.

Insa employs approximately 130 individuals in Massachusetts with the expectation that number will expand to over 200 by the end of 2019. Insa offers a number of employment positions in diverse fields including among others agriculture, culinary, retail, and accounting. Employees

range from having no formal education to possessing advanced degrees in areas such as chemistry, biology, horticulture, accounting, finance and law.

In addition to cannabis production Insa operates dispensaries in Massachusetts. The Insa dispensary in Easthampton commenced medical cannabis sales in January 2018 and adult use sales on December 22, 2018. That dispensary was the fifth adult use store to commence operations east of Colorado. Insa also operates a medical only dispensary in Springfield, Massachusetts and is constructing an approved adult use only dispensary in Salem, Massachusetts expected to open in August 2019. Insa has also established product distribution channels through preferred Insa retailers in other Massachusetts locations that are expected to open in 2019.

In Pennsylvania Insa was granted a phase two grower/processor license for its site in Shamokin Dam Borough, Snyder County, PA. The facility will produce the same quality Insa products and brands sold in Massachusetts and will be distributed to dispensaries throughout Pennsylvania. Construction at the site is underway and a late summer to early fall 2019 opening is expected. Once completed the 40,000 square foot building will be a state of the art facility for cannabis cultivation, processing and packaging with cutting edge industry security and odor mitigation features. Insa anticipates Pennsylvania operations will create approximately 60 full time jobs with great potential for expansion as the industry matures.

Testimony

The legalization process will play out in discussions over the coming months. It will require lawmakers to consider a number of factors that cannot be covered in one morning of testimony. My goal today is to identify the larger issues lawmakers should consider at the beginning of the process. Decisions on these issues will form the basis of more detailed discussions related to the development of an adult use cannabis industry. The recommendations set forth below are based upon Insa's experience in Massachusetts, a state which recently undertook a similar industry expansion.

Regulatory Oversight

The first step in developing an adult use law is to consider what entity should be tasked with industry development and oversight. This entity will be the point of contact for the industry *and* the public. It is critical that the state can operate effectively in both roles in order to develop a successful program for the industry and the residents of Pennsylvania. The creation of a new entity tasked with the industry's development and being considerate of public concerns is the most effective means of implementing a new adult use cannabis law. This is preferable to imposing the obligation of industry oversight on an existing state department or agency with other responsibilities.

Although the cost of a new government entity can be seen as burdensome there are two realities undercutting that position. First, the adult use cannabis industry in Pennsylvania will be large. The state will quickly receive license applications for an industry that will rapidly generate tens of millions of dollars in tax revenue through hundreds of millions of sales transactions while

employing thousands of people. Second, to support this volume and recognize the financial benefits created by the industry the state must make an investment in industry regulation in some form. The options are to create a new entity tasked with this new responsibility or to impose the obligation on an existing entity that may or may not be eager to take on the job.

Similar to gaming revenue the adult use cannabis industry has the potential to generate significant revenue for the Commonwealth. The Pennsylvania medical program only taxes wholesale transactions. Adult use legalization would surely include retail taxes. Adult use sales in Massachusetts significantly outpace medical sales by many multiples. With the likelihood of a retail sales tax, Pennsylvania has an opportunity to address a number of budgetary issues through adult use cannabis. To realize that financial benefit the state must make an investment as it has with casinos. In short the creation of an adult use industry represents a financial opportunity for Pennsylvania but will be a significant undertaking demanding state investment.

Prior to the implementation of adult use cannabis sales in Massachusetts the medical cannabis program was overseen by the state's department of public health. This is effectively the equivalent of the medical cannabis program in Pennsylvania today. The adult use cannabis laws in Massachusetts created the Cannabis Control Commission, a new entity tasked with the development and oversight of the adult use cannabis industry in Massachusetts and absorbing the medical program from the department of public health. The Commission consists of five appointees from the Governor, Treasurer and Attorney General. A director oversees the department which carries out the state law and regulations developed by the Commission.

Massachusetts made a sound decision to create a new government entity for industry oversight rather than placing that responsibility with an existing agency or department. The Cannabis Control Commission shares in the same goals as the industry it regulates, namely the effective implementation of the adult use and medical cannabis laws. This new department recognizes the concerns related to the industry but at the same time understands the benefits in bringing such a large industry into legal existence. Insa has found the department works collaboratively with operators to identify and solve problems to public benefit. This approach speeds up the development of the industry as all stakeholders work together to improve operations. A heavy handed regulatory approach will only impede development of the legal industry to the benefit of illegal market operators that control the market today.

The cannabis industry in Pennsylvania has the potential to create thousands of jobs and generate millions of dollars in tax revenue. Lawmakers should understand that the development of the industry is complicated and slow. To realize the opportunities presented by cannabis and mitigate negative impacts state investment in a new oversight infrastructure is required. Rather than imposing this task on an existing department or agency Pennsylvania should invest in the future by developing a dedicated entity funded with fees and taxes generated by the industry. The new entity should have the goal of supporting a highly functioning cannabis industry while assuaging public concerns with a similar mission statement to that of the Pennsylvania Gaming Control Board.

Leveraging the Existing Medical Program

The existing medical program represents an opportunity to quickly recognize the financial benefits of adult use cannabis sales while ensuring a responsible roll out. At the same time medical operators currently employ hundreds of individuals and lawmakers should carefully consider the impact that an adult use law will have on the existing medical cannabis industry and its employees.

Massachusetts recognized its existing medical cannabis operators represented the best opportunity to quickly and responsibly implement its adult use cannabis program. A process was developed to take advantage of existing operations while allowing for the entry of new entities into the market. Massachusetts created a priority based application process whereby existing operators are required to submit an application in relatively the same form as new operators but are provided priority status for speedy application review. This allows existing companies capable of opening quickly to do so upon evidencing compliance with the new adult use cannabis laws. The result is a quick and relatively seamless implementation of the program and speedy generation of revenue for the state. New operators are reviewed as their applications are complete and numerous such operators have also been approved in Massachusetts evidencing that the process works for new and existing companies. This priority status also gave consideration to the investments of existing medical businesses and their employees by providing an expedited path to adult use sales.

Pennsylvania's medical cannabis companies represent the same opportunity as those in Massachusetts. They provide a responsible means to ensure speedy implementation of the program and quick generation of revenue that will represent a public victory. Pennsylvania's medical cannabis operators currently dispense medical cannabis to patients throughout the commonwealth and have been vetted by the Department of Health. These entities are imminently capable of commencing adult use sales without incident and have adequate security operations already in place. This model has been shown to success in Massachusetts. An expedited process to identify that existing operators are in compliance with adult use laws is the best means of implementing an adult use cannabis program.

Tax Rate

Identifying an appropriate tax rate is critical to the success of Pennsylvania's adult use program. The temptation to tax the industry at the highest rate impedes one of the primary cannabis legalization goals, to eliminate the illegal cannabis market. Illegal products are typically supplied by criminal enterprises, generate revenue to further criminal enterprises, and are untested and out of compliance with many state requirements including those intended to prevent consumption by children.

Pennsylvania may be a \$2 billion per year cannabis industry according to some projections. That industry exists today, primarily through the illegal market. The legalization of cannabis is effectively an attempt to eradicate the illegal market and that must be a paramount goal in the development of Pennsylvania's adult use program. The greatest impediment to that pursuit will

be tax rates resulting in a legal product that is significantly more expensive than its illegal market counterpart.

Massachusetts has developed an effective 20% gross sales tax rate. The rate consists of a collection of state taxes that equate to 17%. In addition to that amount the host municipality may implement an additional tax of 3%. The effective 20% tax has resulted in prices that are slightly higher than the illegal market. This situation is not ideal as it provides a price advantage to the illegal market but the tax rate has kept legal prices close enough that the legal market can compete.

The local opt in tax is beneficial in helping municipalities decide to seek investment from the adult use cannabis industry. The direct financial benefit to the municipality evidences real results for those communities.

A tax rate of 15% including the local opt in tax is ideal. This would ensure that legal market prices are consistent with illegal market prices which will further the goal of eliminating that market for untested, untaxed products. The local tax rate will ensure that municipalities directly benefit from these businesses which will create more opportunities for industry advancement. The total tax will still produce revenues that should meet expectations by state lawmakers.

Conclusion

The development of responsible and effective adult use cannabis legislation will require nuanced discussion of numerous factors beyond the scope of this testimony. Identifying a regulatory body tasked with industry oversight, leveraging the existing medical industry, and setting a reasonable tax rate to eradicate the illegal market should form the basis of further discussions on critical matters such as licensing, local oversight, social equity, product types, and purchase limits among many others.

Thank you for the opportunity to provide these comments on the possibility of adult use cannabis in Pennsylvania. I am hopeful to provide further detailed testimony in the future regarding additional items of concern for the development of adult us cannabis in the Commonwealth.



Testimony of
John Adams
Immediate Past President, Pennsylvania District Attorneys Association
Berks County District Attorney

Before the House and Senate Democratic Policy Committees
Hearing on the Legalization of Recreational Marijuana
April 29, 2019
Harrisburg, PA

Good Morning Chairman Sturla and Chairwoman Boscola and members of the House and Senate Democratic Policy Committees. My name is John Adams, and I am the District Attorney of Berks County. I am also the immediate Past President of the Pennsylvania District Attorneys Association and a member of the PDAA Executive Committee. Before I was elected District Attorney as a Democrat, I was a defense attorney for 13 years and a probation officer for three years.

On behalf of the PDAA, I want to thank you for inviting us to testify and for engaging in a serious discussion of the issue of legalizing recreational marijuana. Our association believes conversations and debates, even among opposing views, are productive and in the best interest of the Commonwealth.

The PDAA opposes the legalization of recreational marijuana. Our opposition stems from science, research, and data, as well as information from our drug addiction treatment specialists. The professional experience that addiction treatment specialists have with working with those with substance use disorders, as well as with the available research and data, should weigh considerably as you consider this public policy issue. Indeed, the effects of marijuana use are harmful to public health, and legalizing the recreational use of it would only exacerbate the already negative effects of marijuana use.

At the outset, we agree with the 2017 findings of the American Medical Association: marijuana is a dangerous drug and serious public health concern and that the sale of recreational marijuana should be opposed. Indeed, late last year the President of the New York Medical Society noted studies that showed a statistical linkage between marijuana smoking and health issues as well as adverse impacts, such as unintentional pediatric exposures resulting in increased calls to poison control centers and emergency department visits. The New York Medical Society also addressed one of the very negative consequences of legalizing marijuana: increased traffic fatalities. The Medical Society noted that there was a 70 percent increase in hospitalizations connected with marijuana use between 2013 and 2015 in Colorado, where marijuana use was legalized in 2014. During the same time period, there was an 80 percent increase in instances where drivers tested positive for marijuana.¹

Before I discuss in more detail the public health consequences of legalizing recreational marijuana, I would like to note that PDAA was supportive of the medical marijuana law and, in fact, I serve on its advisory board. Our association would support legislation to decriminalize the possession of small amounts of marijuana. Such legislation would help to clear cases from the criminal docket and allow law enforcement officials to focus on other matters, while still recognizing the negative consequences of marijuana use. We consider this a smart, commonsense approach.

¹ NY Med Society: Legalized Marijuana Is Bad For Public Health, October 8, 2018, https://www.syracuse.com/opinion/2018/10/ny_medical_society_legalized_marijuana_is_bad_for_public_health_commentary.html

Harmful Effects of Marijuana

Marijuana is significantly stronger, and therefore, more dangerous today because of the stronger THC content. In addition, the Centers for Disease Control and Prevention (CDC) has reported the many specific harmful effects of marijuana usage:

- About 1 in 10 marijuana users will become addicted. For people who begin using before the age of 18, that number rises to 1 in 6.²
- People who are addicted to marijuana may also be at a higher risk of other negative consequences of using the drug, such as problems with attention, memory, and learning.³
- Marijuana use directly affects the brain — specifically the parts of the brain responsible for memory, learning, attention, decision making, coordination, emotions, and reaction time.⁴

These conclusions are buttressed by a relatively new study published in *Psychiatry Research* that examined whether marijuana use was associated with clinically problematic outcomes for patients with depression and alcohol use disorder (AUD). Patients with AUD using marijuana had greater depressive symptoms and worse functioning than those without AUD.⁵ These findings indicate that marijuana use is clinically problematic for psychiatry patients with depression and AUD.

Marijuana use has also been linked to depression and anxiety, and suicide among teens. The American Academy of Pediatrics has shown that long-term marijuana use initiated in adolescence has negative effects on intellectual function and that the deficits in cognitive areas, such as executive function and processing speed, did not recover by adulthood, even when cannabis use was discontinued.⁶

The National Institute on Drug Abuse has catalogued the physical damage that comes with marijuana use, including breathing problems, increased heart rate, problems with child development during and after pregnancy, and intense nausea and vomiting.⁷

² <https://www.cdc.gov/marijuana/faqs/marijuana-addiction.html>

³ <https://www.cdc.gov/marijuana/health-effects.html>

⁴ <https://www.cdc.gov/marijuana/health-effects.html>

⁵ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5742048/>

⁶ <https://pediatrics.aappublications.org/content/139/3/e20164069>

⁷ <https://www.drugabuse.gov/publications/drugfacts/marijuana>

Marijuana and Mental Health

According to the CDC, the negative effects of marijuana use on mental health are similarly significant:

- Marijuana use, especially frequent (daily or near daily) use and use in high doses, can cause disorientation and sometimes cause unpleasant thoughts or feelings of anxiety and paranoia.⁸
- Marijuana users are significantly more likely than non-users to develop temporary psychosis and long-lasting mental disorders, including schizophrenia. Researchers have found that daily use of moderate amounts of marijuana increase the risk of a psychotic outcome like schizophrenia 4-to 5-fold.⁹

States That Have Legalized Marijuana Are Seeing Negative Consequences on Youth

The experiences of states that have legalized marijuana are instructive and disconcerting.

- Young adult use (youth aged 18–25) in legalized states is increasing.¹⁰
- Since Colorado, Washington, Oregon, Alaska, and the District of Columbia legalized marijuana, past-month use of the drug has continued to rise above the national average among youth aged 12–17 in all five jurisdictions.¹¹
- Colorado toxicology reports show the percentage of adolescent suicide victims testing positive for marijuana have increased.¹²
- In Anchorage, school suspensions for marijuana use and possession increased more than 141% from 2015 (when legalization was implemented) to 2017.¹³

Indeed, these sorts of studies have demonstrated to the American Society of Pediatrics that “[b]ased on the limited data that does exist, as pediatricians, we believe there is cause to be concerned about how the drug will impact the long-term development of children.”¹⁴

⁸ <https://www.cdc.gov/marijuana/health-effects.html>

⁹ <https://www.cdc.gov/marijuana/health-effects.html>

¹⁰ <https://learnaboutsam.org/wp-content/uploads/2018/04/SAM-Lessons-Learned-From-Marijuana-Legalization-Digital.pdf>

¹¹ <https://learnaboutsam.org/wp-content/uploads/2018/04/SAM-Lessons-Learned-From-Marijuana-Legalization-Digital.pdf>

¹² <https://learnaboutsam.org/wp-content/uploads/2018/04/SAM-Lessons-Learned-From-Marijuana-Legalization-Digital.pdf>

¹³ <https://learnaboutsam.org/wp-content/uploads/2018/04/SAM-Lessons-Learned-From-Marijuana-Legalization-Digital.pdf>

¹⁴ <https://www.aap.org/en-us/about-the-aap/aap-press-room/Pages/AAP-Raises-Concerns-About-Increasing-Marijuana-Use-During-Pregnancy-and-Breastfeeding.aspx>

States That Have Legalized Marijuana Have Seen DUI Increases

Legalizing marijuana has resulted in significant increases in marijuana-related DUIs. This should give everyone significant pause. The Governor's Highway Safety Association reports that since legalization:

- Marijuana presence among drivers increased in Washington, which also experienced a doubling in drugged driving fatalities in the years following legalization.¹⁵
- Marijuana presence in arrested and crash-involved drivers increased in Washington. Fatal crashes involving marijuana increased in both Colorado and Washington.¹⁶
- Marijuana users believe that marijuana does not affect their driving and will drive "high" regularly in both Colorado and Washington.¹⁷

More specifically, the number of drivers in Colorado intoxicated with marijuana and involved in fatal traffic crashes increased 88% from 2013 to 2015.¹⁸ And according to the National Highway Traffic Safety Administration, marijuana-related traffic deaths increased 66% between the four-year averages before and after legalization.¹⁹

Particularly concerning is an online survey in Colorado from last April that found that 69 percent of marijuana users said they had driven under the influence of marijuana at least once in the past year, and 27 percent said they drove high almost daily.²⁰

Other Health Problems in States That Have Legalized Marijuana

We should also consider that hospital visits have increased in states that have legalized marijuana. In Colorado, calls to poison control centers have risen 210% between the four-year averages before and after recreational legalization, and the annual rate of marijuana-related emergency room visits increased 35% between the years 2011 and 2015.²¹

Washington has seen a 70% increase in calls to poison control centers between the three-year averages before and after legalization.²²

¹⁵ https://www.ghsa.org/sites/default/files/2018-10/GHSA_SafetyImpacts_Final.pdf;
<https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2018/05/31/drugged-driving-deaths-spike-with-spread-of-legal-marijuana-opioid-abuse>

¹⁶ https://www.ghsa.org/sites/default/files/2018-10/GHSA_SafetyImpacts_Final.pdf

¹⁷ https://www.ghsa.org/sites/default/files/2018-10/GHSA_SafetyImpacts_Final.pdf

¹⁸ <https://www.denverpost.com/2017/08/25/colorado-marijuana-traffic-fatalities/>

¹⁹ https://www.ghsa.org/sites/default/files/2018-10/GHSA_SafetyImpacts_Final.pdf

²⁰ <https://www.codot.gov/news/2018/april/cdot-survey-reveals-new-insight-on-marijuana-and-driving>

²¹ <https://learnaboutsam.org/wp-content/uploads/2018/04/SAM-Lessons-Learned-From-Marijuana-Legalization-Digital.pdf>

²² https://ofm.wa.gov/sites/default/files/public/legacy/reports/marijuana_impacts_update_2016.pdf

Marijuana Legalization Has Not Ended the Black Market

Marijuana legalization has not ended the black market. Narcotics officers in Colorado have been busy responding to the 50% increase in illegal grow operations across rural areas in the state.²³ In 2016 alone, Colorado law enforcement confiscated 7,116 pounds of marijuana, carried out 252 felony arrests, and made 346 highway interdictions of marijuana headed to 36 different U.S. states.²⁴

A leaked police report in Oregon revealed that at least 70% of marijuana sales in 2016 were on the black market and around three to five times the amount of marijuana consumed in Oregon leaves the state for illegal sales.²⁵

Legalizing Marijuana Is Not A Way to Solving the Opioid Epidemic

A new study published in the Journal of Addiction Medicine shows that sufferers from chronic pain who use marijuana in conjunction with prescription opioids demonstrated higher instances of mental health issues and further substance abuse problems than those who used opioids alone. According to the study, instances of depression and anxiety as well as opioid addiction, alcohol, and cocaine use were higher in patients who used both drugs. Additionally, there was no reported difference in pain for either group.²⁶

A four-year study in a leading medical journal followed medical marijuana patients with a dual opioid prescription and found that marijuana use did not reduce opioid use or prescribing. Users reported greater pain severity and more day-to-day interference than those that did not use marijuana.²⁷

Tax Revenue From Marijuana Does Not Outweigh Costs

Policymakers must be careful about merely accepting that the tax revenue from legal marijuana sales can outweigh the costs. In other states it has been a false promise. Over half the money promised for drug prevention, education, and treatment in Washington never materialized. Bureaucracy consumes a significant portion of Colorado marijuana tax revenue. And California took in far less than originally projected from taxes on legal marijuana.

We should also be concerned that tax revenue will decrease as there is more and more marijuana, and it decreases in price, unless there is a tax increase.

Finally, we should also consider that which will also increase the direct and indirect costs of legalizing marijuana:

²³ <https://learnaboutsam.org/colorado-2/>

²⁴ <https://learnaboutsam.org/colorado-2/>

²⁵ <https://learnaboutsam.org/wp-content/uploads/2018/03/SAM-Digital-C-4-1.pdf>

²⁶ <https://patch.com/new-york/glencove/safe-gc-coalition-rising-concern-over-marijuana-use-opioids>

²⁷ <https://www.thelancet.com/action/showPdf?pii=S2468-2667%2818%2930110-5>

- Hospital room visit costs
- Drugged driving
- Absenteeism
- Drug Treatment

Marijuana Is A Big Corporate Business

Marijuana is a big business. We cannot underestimate the potential of creating another Big Tobacco. We know already that the makers of Corona and Marlboro cigarettes have gotten into the business.²⁸ Late last year, the Tilray company entered into a global agreement with Sandoz AG, a leader in the generic pharmaceutical industry.²⁹ In California, 20% of cultivation licenses are held by just 12 licensees – or 0.7% of licensed cultivation businesses in California.³⁰ And the Wall Street Journal reported recently that Anheuser Busch is making its first foray into the cannabis market, striking a partnership with a Canadian marijuana grower to research nonalcoholic beverages laced with weed.³¹

Perspective of One Addiction Specialist

During a recent debate on legalizing recreational marijuana on WITF, Dr. Joseph Garbely, the Vice President of Medical Services and Medical Director of the Caro Foundation in Wernersville, called into the program and had the following to offer:

Studies have shown that all psychiatric disorders increase with marijuana smoking. In fact, there is an increase in psychotic conversions because of the increased strength of the active ingredient. . . .

Ninety-two percent of adolescent patients that come into Caron for treatment have marijuana as a drug of choice and an ever-increasing amount over the last couple of years come in with cannabis-induced psychosis — meaning that they don't have a psychotic disorder but the marijuana that they are smoking caused them to look like a psychotic patient.

You need to look at the epidemiological studies, the Monitoring the Future Studies, the National Survey on Drug Use and Health Studies, these are studies that are well done, they have been done for years. . . . I would caution everyone not to just look at your friend group and yourself to see if this is a dangerous substance or not but actually look at the epidemiological studies that our country does to show you the increase in the use of marijuana and some of the side effects from that use and how

²⁸ <https://www.nytimes.com/2018/12/12/business/cannabis-business-altria-canopy-constellation-cronos.html>

²⁹ <https://www.businesswire.com/news/home/20181218005141/en/Tilray%C2%AE-Signs-Global-Collaboration-Agreement-Leading-Pharmaceutical>

³⁰ <https://mibizdaily.com/chart-handful-growers-hold-hundreds-cultivation-licenses-california-legal-marijuana-market/>

³¹ <https://www.wsj.com/articles/abinbev-to-partner-with-canadian-cannabis-company-11545258424>

many go on to have an actual, fully codified substance use disorder from cannabis use. That percentage is borne out in these epidemiological studies –13% go on to have cannabis use disorder. And the earlier you start, the greater your risks.

There have been a number of studies that show a decrease in IQ points by 8 points with daily use . . . and that's what we are talking about here. . . . On the argument that marijuana is no more harmful or less harmful than alcohol: 88,000 deaths per year with alcohol. No question alcohol is a dangerous substance in the long haul, but that doesn't make marijuana safe . . . and there are other effects that are happening with marijuana that are impeding someone's ability to have a normal life if they are using it on a regular basis.

CONCLUSION

We greatly appreciate your consideration of our views on this important topic. As district attorneys, we recognize that the crimes we prosecute are often foreshadowed by so much more than the act itself – education, economics, and public health issues. Because of this, we are highly engaged in our communities and work with community-based experts on public safety initiatives and policies, including preventing crime and the cascade of consequences of crime before it happens. As you explore legalizing recreational marijuana further, we hope you will pay particular attention to the public health issues that surround legalizing marijuana and carefully consider what those on the frontlines of the medical and addiction fields have to say. Their perspectives are invaluable and indeed resonate strongly with us.

**Written Testimony for Policy Hearing:
Responsible Adult Use Cannabis**

April 26, 2019

Will Jones III

Communication and Outreach Associate, Smart Approaches to Marijuana (SAM)

<http://www.learnaboutsam.org>

Thank you for the opportunity to submit testimony on the topic of Responsible Adult Use Cannabis in Pennsylvania. I represent Smart Approaches to Marijuana (SAM), the leading non-partisan national organization offering a science-based approach to marijuana policy. SAM was founded by former Congressman Patrick Kennedy, senior editor of *The Atlantic* David Frum, and Dr. Kevin Sabet, a White House advisor to three U.S. Administrations.

I serve as the Communications and Outreach Associate at SAM and have had the privilege to work as community activist on issues of social justice at the local and national level. Partnering with national drug policy advisors and leaders around Washington, D.C., in 2014 I founded Two Is Enough DC to raise awareness of the predatory marijuana commercial industry which disproportionately targets disenfranchised communities similar to Alcohol and Big Tobacco. I later started the campaign against marijuana legalization and commercialization in D.C. I am a proud husband, father and also serve as a DC Firefighter/EMT and am completing my MPA at George Washington University.

Citing social justice, an increasing number of politicians are calling for marijuana legalization and commercialization. To make their case, they point to ethnically disparate arrest rates that show that people of color, especially African-Americans are disproportionately targeted for enforcement of marijuana laws¹. They're right to raise this issue.

Marijuana arrest statistics clearly illustrate systemic injustice in our criminal justice system which should be condemned and abolished. Effective decriminalization laws can remove a tool used to execute prejudice against people of color and should be implemented across the country. However, commercialization is a step too far and is counter-productive to real social justice progress in two critical ways.

First, it creates a predatory industry that targets communities of color and other disenfranchised communities with an over saturation of ads and stores like its predecessors Big Tobacco, the alcohol industry. Second, it distracts from true criminal justice reform while producing no measurable progress itself.

We should not fall for this scheme.

¹ Marijuana Arrests By the Numbers

<https://www.aclu.org/gallery/marijuana-arrests-numbers>

When I walk out the front door of my home, the first store that I get to in any direction is a liquor store or a little further, a convenience store plastered with advertisements for liquor, cigarettes and the lottery that I can't even see inside the window. A study from Hopkins found that "Such stores have been shown to be an important component of the social infrastructure that destabilizes communities²." So why are we celebrating a model that will allow marketing of another intoxicating and addictive substance? Anticipating and pushing for federal legalization, major alcohol brands have already invested billions in marijuana including Heineken³, Molson⁴ Coors, Blue Moon⁵ Corona⁶, and cannabis investors proudly say⁷ this is only the beginning. This should be extremely troubling coming from an industry that makes nearly 80 percent of its revenue from just 10 percent of its users- those with substance abuse struggles who consume an average of 10 drinks or more a day⁸. Big Tobacco isn't standing by either. In 2018, Altria, parent company to Phillip Morris, invested over a billion dollars in marijuana⁹ and subsequently invested another several billion in Juul, the E-vaping company that is now being investigated by the FDA for their marketing practices which have corresponded with a near epidemic of teen vaping. These companies are irresponsible, unrepentant, and poorly regulated even in 2019. A quick glance at Colorado shows that the marijuana industry has continued in this reckless addiction for profit model, drawing 70 percent of its revenue from just over 20 percent of its users¹⁰— the heavy users and those struggling with addiction. There are more pot shops than McDonalds and Starbucks¹¹ combined and like the ubiquitous liquor store on every corner, some neighborhoods of color in Denver have a saturation of 1 pot business for every 47 residents¹². This is especially concerning because new research shows that poorer marijuana users smoke the most, with those who make under \$20,000 annually making up 29 percent of use compared to the 19 percent of total adult population that they comprise. The study authors further found that "The concentration of use among poorer households means that many marijuana users are spending a high proportion of their income on their marijuana habit. Users who spend fully one quarter of

2 Hopkins Bloomberg Sch, Public Health, & JH Bloomberg School of Public Health. (2013, January 06). Off-Premises Liquor Stores Targeted to Poor Urban Blacks. Retrieved from <https://www.jhsph.edu/news/news-releases/2000/alcohol-off-premises.html>

3 Brodwin, E. (2018, August 08). Heineken is betting on a brew made with marijuana instead of alcohol, and it could help give a boost to the struggling beer industry. Retrieved from <https://www.businessinsider.com/heineken-marijuana-beer-taste-photos-lagunitas-2018-8>

4 Berke, J. (2018, November 01). The CEO of Molson Coors says the market for cannabis-infused beverages could be worth billions. Here's why it's 'chasing down' that opportunity. Retrieved April 26, 2019, from <https://www.businessinsider.com/molson-coors-cannabis-beverages-could-be-3-billion-market-2018-10>

5 Snider, M. (2018, November 12). Blue Moon's founding brewer pops top on pot-infused beer. Retrieved April 26, 2019, from <https://www.usatoday.com/story/money/nation-now/2018/11/12/blue-moon-brewer-brings-pot-infused-beer-market/1941682002>

6 Constellation Brands (STZ) is spending \$4 billion to boost its stake in cannabis company Canopy Growth. Constellation also owns a big wine business. (n.d.). Corona owner makes \$4 billion bet on cannabis. Retrieved April 26, 2019, from <https://money.cnn.com/2018/08/15/news/companies/constellation-brands-cannabis-canopy-growth/index.html>

7 Morning, M. (2018, October 23). American Cannabis Summit. Retrieved April 26, 2019, from <https://www.youtube.com/watch?v=ZRx9FSTKISU>

8 Kleiman, M. A. (2008). Paying the Tab: The Costs and Benefits of Alcohol Control, by Philip J. Cook, Princeton, NJ: Princeton University Press, 2007, 278 pp. hardcover. Journal of Policy Analysis and Management, 27(3), 682-695. doi:10.1002/pam.20351

9 Somerset, S. B. (2018, December 23). Marlboro Modernizes Its Method Of Peddling Death To Kids. Retrieved April 26, 2019, from <https://www.forbes.com/sites/sarabrittanyosomerset/2018/12/23/marlboro-modernizes-its-method-of-peddling-death-to-kids/#61fbf9dd3d04>

10 Market Size and Demand Study for Marijuana in Colorado. (2018, August 06). Retrieved from <https://www.colorado.gov/pacific/marijuana/news/market-size-and-demand-study-marijuana-colorado>

11 Huttmacher, A. (2016, June 01). More Dispensaries in Colorado Than McDonald's & Starbucks, Combined. Retrieved April 26, 2019, from <https://www.coloradopotguide.com/colorado-marijuana-blog/2015/december/26/more-dispensaries-in-colorado-than-mcdonalds-starbucks-combined>

12 Migoya, D., Baca, R., Migoya, D., & Baca, R. (2017, January 23). Denver's pot businesses mostly in low-income, minority neighborhoods. Retrieved April 26, 2019, from <https://www.denverpost.com/2016/01/02/denvers-pot-businesses-mostly-in-low-income-minority-neighborhoods/>

their income on weed account for 15 percent of all marijuana use ¹³.” Is this social justice? With John Boehner, former Big Tobacco lobbyist and former Republican Speaker of the House now leading Big Marijuana, we can see clearly the intent.

Even more troubling is that while wealthy white investors are co-opting issues of systemic injustice as a front for their business dreams, real criminal justice reform is being left by the wayside. I am baffled that legislation that does nothing to punish, prosecute or remove individuals or institutions with records of racism and discriminatory law enforcement, is heralded as a victory for social justice.

To be sure, states that have legalized have shown a reduction in arrests for marijuana, yet this reduction is of little real value if those officers who are racist, simply find another excuse to enforce their bias. Looking at arrests and incarceration, we can see racial disparities in marijuana arrests have remained in places like CO where people of color are still 2-3 times more likely to be arrested for marijuana infractions,¹⁴ and that no state that passed legalization saw any corresponding drop in prison populations.¹⁵ Places like Colorado, and DC, have seen increases, reversing what had been a downward trend for years. By contrast, legislation like Alaska SB 91 or Colorado SB15-124 were passed after marijuana legalization and in the same time frame that legalization did nothing, those bills significantly reduced the prison population in their states in the year after passing.¹⁶ Yet no one knows about them. In New Jersey, a decriminalization bill introduced a year ago by Senator Rice, head of the New Jersey Legislative Black Caucus, has received no support and been left to languish- along with those whom it might have helped - while the governor and New Jersey politicians wrangle over who is going to get the money from their commercialization bill.

Again I ask, is this social justice?

13 Washington Post, & Washington Post. (2016, October 02). Study: Poorer marijuana users smoking the most. Retrieved April 27, 2019, from

<https://www.denverpost.com/2016/08/14/study-poorer-marijuana-users-smoking-the-most/>

14 Colorado Division of Criminal Justice Publishes Report on Impacts of Marijuana Legalization in Colorado. (2019, February 26). Retrieved April 26, 2019, from

<https://www.colorado.gov/pacific/publicsafety/news/colorado-division-criminal-justice-publishes-report-impacts-marijuana-legalization-colorado>

15 State Prison Populations. (n.d.). Retrieved April 26, 2019, from <https://learnaboutsam.org/state-prison-populations/>

TESTIMONY OF PATRICK K. NIGHTINGALE, ESQ
BEFORE THE JOINT SENATE & HOUSE
DEMOCRATIC POLICY COMMITTEE

Good morning Senator Boscola, Representative Sturla and all of the members of the Committee. Thank you for inviting me to submit comment on the issue of cannabis reform in the Commonwealth of Pennsylvania. I am submitting my testimony in my capacity as the Director of the Pittsburgh chapter of the National Organization for the Reform of Marijuana Laws. Professionally, I am a criminal defense attorney practicing in both state and federal court and a former prosecutor from Allegheny County.

Cannabis prohibition in Pennsylvania and, indeed, the nation as a whole was based on lies, racism and a political agenda that has resulted in hundreds of thousands, if not millions, of Americans being targeted, arrested, prosecuted and convicted merely for possessing a plant. Altoona's own Harry Anslinger, founding commissioner of the Bureau of Narcotics joined forces with William Randolph Hearst to demonize this scary new drug being brought across the border by dark skinned immigrants. "Hemp" and "cannabis" were jettisoned in favor of "marijuana" to frighten white America. His sensationalist testimony before Congress ascribed all manners of violent crime to "marijuana addicts" while Hearst's newspapers screamed that cannabis was "an assassin of youth" causing unspeakable acts of violence and depravity.

President Richard Nixon argued that Controlled Substances Act was necessary to protect the nation from the evils of drug use and addiction. But, as with Anslinger's fabrications, the Nixon administration had another agenda. According to Nixon's Chief Domestic Policy Advisor John Erlichman:

We knew we couldn't make it illegal to be either against the war or black, but by getting the public to associate the hippies with marijuana and blacks with heroin. And then criminalizing both heavily, we could disrupt those communities . . . could arrest their leaders, raid their homes, break up their meetings, and vilify them night after night on the evening news. **Did we know we were lying about the drugs? Of course we did.**

One voice of reason came from former Pennsylvania Governor Raymond Shafer, a Meadville native, who was tasked by President Nixon to assess the "danger" of cannabis. It was temporarily placed in Schedule I pending the Shafer Commission's Report. Much to the consternation of the President, Governor Shafer recommended regulating cannabis use in a manner similar to alcohol and to not criminalize possession. The Commission's report was buried and cannabis has remained Schedule I ever since.

The effect has been profound. Even today close to 20,000 Pennsylvanians are charged with possessing cannabis every year, more than all hard drugs combined. Pennsylvanians of color are charged 4 to 5 times more frequently than their white counterparts despite similar rates of usage. A criminal conviction for a misdemeanor

“small amount” can result in loss of employment, housing, educational opportunities and even the loss of custodial rights.

It is with this background that I urge you to support cannabis reform in the Commonwealth of Pennsylvania.

As my fellow witnesses speaking on behalf of Pennsylvania’s nascent medical cannabis industry can attest, the cannabis industry in the United States is expanding rapidly, bringing tax revenue and employment. Auditor General Eugene DePasquale has estimated that a regulated system of cultivation and distribution could generate recurring revenue of close to 600 million annually. As of 2019 the cannabis industry has created over 200,000 jobs and is one of the fastest growing industries in the nation.

Adult use reform must also include the ability of Pennsylvanians to cultivate cannabis for personal consumption. We are very fortunate to have an effective medical cannabis program in Pennsylvania. For some, however, the costs can be prohibitive. It is heartbreaking to hear a patient say they are returning to prescription opioids because Oxycontin is covered. Home cultivation will permit patients of limited means the ability to choose a non-toxic, natural treatment alternative. Home cultivation is also consistent with individual liberty and basic individual rights and freedoms. We are free to grow our own vegetables, brew our own beer and make our own wine. Cannabis legalization should be no different.

Adult use legalization must also provide for “restorative justice” that will allow those with criminal convictions for cannabis related offenses to seek expungements and to have a path to employment in the cannabis industry. Persons of color who have suffered disproportionality must have a role moving forward as too often even minor possessory convictions have been used as a hard and fast barrier to employment.

I understand that my friends and colleagues in law enforcement have legitimate concerns about adult use reform. They are right to express their concerns. Fortunately, we have the ability to look at data from other states when weighing these concerns.

The Colorado Division of Criminal Justice published a report on the impact of adult use legalization in October, 2018.¹ Relative to DUI it found:

- DUI fatalities with active THC declined from 2016 to 2017 by close to 50%;
- Cannabis only DUI remained steady at 7% of all DUI

¹ <https://www.colorado.gov/pacific/publicsafety/news/colorado-division-criminal-justice-publishes-report-impacts-marijuana-legalization-colorado?fbclid=IwAR3FnFhJlu9LxVowuJaZdI9p6BbaFqGTuEMqNVUwFfzOxCo1dcrVdlaPG0s>

While DUI fatalities with a detectable THC metabolite increased from 55 in 2013 to 139 in 2017 this is attributable to the fact that Colorado began testing for THC and THC metabolites in all DUI investigations. Metabolites only cannot measure impairment and Carboxy THC can remain in the blood for days or weeks after consumption. In fact, the Arizona Supreme Court found “metabolite only” DUI prosecutions to be a denial of equal protection for medical patients.

Relative to teen cannabis use, the Colorado report found:

- The youth marijuana rate was at its lowest (9.1%) since 2007;
- High school students reporting cannabis use was unchanged from 2005 – 2016;
- Use by students 13 and under declined from 2015 – 2017

The “gateway drug” fallacy has often been cited and, indeed, embraced by those opposed to legalization as an accepted and well established fact. It is anything but. Correlation is not causation. According to addictions professionals most who use and abuse controlled substances started with alcohol and tobacco use, but no one suggests that these substances act as a “gateway”. Cannabis is the most widely used “illicit” drug in the world. Were there any substance to the “gateway drug” myth we would expect to see a corresponding increase in hard drug use. However, according to a 2014 report from the National Survey on Drug Use and Health the vast majority of cannabis consumers do not move on to other harder drugs.²

It is time to put the ruinous and racist era of cannabis prohibition behind us. It is time to admit that prohibition was a deeply flawed policy that has caused incalculable harm, especially to persons and communities of color. I urge you to give your full support to both decriminalization, which will shield 20,000 Pennsylvanians annually from the criminal justice system, and full adult use legalization which will usher in a new era of prosperity and liberty for all

Thank you for this opportunity to be heard.

Sincerely,

4.26.19

/s/ Patrick K. Nightingale, Esquire

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² Center for Behavioral Health Statistics and Quality. (2015). Behavioral health trends in the United States: Results from the 2014 National Survey on Drug Use and Health (HHS Publication No. SMA 15-4927, NSDUH Series H-50). Retrieved from <http://www.samhsa.gov/data>



Good Day, my name is Gabriel Perlow. I am the Chief Executive Officer and Founder of PurePenn LLC.

PurePenn was one of the first 12 entities to receive a grant of a Grower/Processor License from the Pennsylvania Department of Health in June of 2017. Within 6 months of receiving our license to grow and process medical marijuana in McKeesport PA, we had a building constructed on a former Steel Mill Brownfield site, and were deemed operational by the DOH Office Of Medical Marijuana. In April 2018 our products were available to patients in dispensaries throughout the Commonwealth. As a company, we pride ourselves on values which put patient welfare, integrity, collaboration, trust, respect, people, diversity and community at the forefront of everything we do. As a Pennsylvania company, with the majority of our ownership residing within the Commonwealth, we have a vested interest in doing what is right for Pennsylvania, the patients in our program, and the people whom we serve. I am also here before you today as the Chairperson of the Pennsylvania Cannabis Coalition's committee on Adult Use Cannabis. The PCC is a trade organization comprised of permit holders, both grower/processors and dispensaries, that was formed to organize the permit holders to collaborate and advocate for the benefit of Pennsylvania's Medical Marijuana program and its patients. The PCC has been a terrific resource in bringing together permit holders to foster an atmosphere of collaboration and responsible business practices to assist the medical marijuana program in being the best that it can be.

Thank you Senator Boscola and Representative Sturla for inviting me here today to testify before this Joint Senate & House Democratic Policy Committee hearing on Responsible Adult Use of Cannabis. I would also like to take this time to thank Governor Tom Wolf, Director Rachel Levine and the Department of Health for their work in making Pennsylvania the gold standard for medical marijuana programs in the United States. The success of our program is a true testament to their tireless work and dedication to the health and welfare of citizens of the Commonwealth, through the swift roll out of the

program and by providing safe and responsible access to medical marijuana, particularly as a pioneering program in its efforts to provide access to medical marijuana as a first alternative to opioid therapy as a means of combating our Commonwealth's opioid epidemic, our program truly sits head and shoulders above the rest.

While the medical program is still in its infancy, the discussion has quickly turned to Adult Use Cannabis as an option for Pennsylvanians desiring unfettered access to the plant and its miraculous qualities.

These qualities, which have undeniably provided much needed relief to tens of thousands of Pennsylvanians and possibly hundreds of thousands more who have hid in the shadows of the federal and state illegality of their use, are now on full display in Pennsylvania's medical marijuana program. I would like to recognize Lieutenant Governor John Fetterman for his monumental task of listening to the concerns of Pennsylvanians in every county within the Commonwealth, as they voice their concerns, both for and against, the issue of Adult Use Cannabis. The report he will ultimately generate from his listening tour will undoubtedly provide the kind of unbiased commentary that is needed to ensure that any Adult Use Program in Pennsylvania can mirror the success of the medical program while properly addressing the concerns of citizens on both sides of the issue.

Any discussion on the implementation of an Adult Use Cannabis program should begin with analyzing the successes and failures of the States that have preceded our own by their respective program's implementation. Like our medical program, we can learn from mistakes of the past so as not to repeat them, while simultaneously learning from what was put into practice that was successful. You have already heard today about numerous successes and failures that have occurred in the implementation of Adult Use Programs throughout the nation.

I would like to point to some specific nuances that we at the PCC Adult Use Committee have spent considerable time debating and adopting as areas that should be carefully considered when adopting an

Adult Use Cannabis program in Pennsylvania. Personally, I believe the discussion must begin by recognizing the injustice that prohibition of cannabis has caused in our Commonwealth, particularly as it pertains to historically disadvantaged groups, and even more particularly in our African-american communities. When creating a new industry, it is important that we honor those who came before us and provide opportunities where once there were none. A new Adult Use cannabis industry must provide opportunities for those historically repressed and incarcerated, particularly for those skills that would now be valued highly by our industry. Whether it involves licensing, auxiliary business, investment, or employment opportunities, this new potential industry must carve out opportunities for success to those historically disadvantaged groups. We at the PCC are in full support of this and are prepared to assist these new entrants into the industry in our mission's spirit of collaboration and industry building.

We also believe that in order to truly rectify the injustices of prohibition the freedom of the plant and its accessibility must be further extended to individuals to provide for themselves without the need to rely solely on an industry to provide for them. We advocate for responsible and respectful home practices by individuals for their own personal use. By responsible and respectful I mean that those desiring to cultivate their own plants do so in a manner that respects their neighbors and community, while also responsibly understanding that they take in to consideration the environmental and societal impact their personal cultivation can have. Lights, odor, storage, and disposal are all elements of cultivation that should be properly considered in order for responsible and respectful home grower to be properly implemented by an Adult Use Program.

As Pennsylvania does currently have a medical marijuana program, with 13 grower processors operational and almost 50 dispensaries open for business, we as an industry feel strongly that an adult use program can swiftly be implemented if the legislature and governor's office should choose to do so. Many of us have the necessary resources to easily begin cultivation, processing and dispensing of

products for adult use consumers with little or no modification of our existing facilities. While conversations like this and the Lieutenant Governor's are necessary to ensure the program is designed properly, the implementation, from an operational aspect, could be seamless by allowing the existing operators to supply both the medical and adult use programs. To assure patients that they will continue to have access on the medical side, it is important that the needs of medical patients be kept at the forefront. However, from a retail/customer experience, to seed to sale and point of sale tracking, testing of final product, managing waste and odor, and advertising perspective, we who already deal with these stringent regulations are well situated to continue to follow them from a regulatory and compliance standpoint. We feel that one regulating body, adopting many of the same regulations that we as an industry must follow now are good starting points for a new adult use industry.

Closing remarks.