



January 13, 2023

Ali Jamalian
Chair, Cannabis Advisory Committee
Department of Cannabis Control
2920 Kilgore Road
Rancho Cordova, CA 95670

Dear Chair Jamalian:

On behalf of the California Cannabis Industry Association (CCIA), I write to inform you of our continued concerns for public health and safety as a result of the failure to implement and enforce crucial provisions contained in Assembly Bill 45 (Aguiar-Curry), which was signed into law by Governor Gavin Newsom as an urgency bill in 2021. CCIA was a critical partner in the development of this important legislation and represents several hundred companies participating in the largest regulated cannabis market in the United States.

While we recognize that the implementation of AB 45 is primarily under the purview of the California Department of Public Health (CDPH), the lack of progress as it relates to the bill's implementation has had an immediate and direct impact on California's legal cannabis industry.

With the Department of Cannabis Control (DCC) Hemp Report¹ finally being released on January 12, 2023, CCIA respectfully requests the Cannabis Advisory Committee (CAC) agendaize AB 45 implementation for discussion at a future meeting. We also request the Cultivation Subcommittee agendaize this item as well.

AB 45 was the product of extensive, multi-year negotiations with a broad stakeholder coalition, key legislators, and the Newsom Administration. Recognizing the need for a comprehensive state framework around hemp following the passage of the 2018 federal Farm Bill, the bill's author, Assemblymember Cecilia Aguiar-Curry, proactively introduced AB 45 to create a lawful pathway for hemp businesses to manufacture and sell hemp-derived products, while also protecting legal cannabis businesses and the health and safety of California consumers.

In furtherance of these goals, AB 45 sought to close loopholes to ensure that hemp products do not exceed 0.3% THC concentration or contain any psychoactive cannabinoids; included comprehensive testing protocols that mirror the State's current testing requirements for cannabis; incorporated

¹ Business and Professions Code 26013.2

strong labeling standards; imposed strict advertising standards to prohibit advertising to minors; and included comprehensive enforcement provisions.

AB 45 also included language to ensure that any intoxicating cannabinoids, whether naturally derived or synthetic, are prohibited in all hemp products. As stated above, AB 45 was passed as an urgency bill in 2021 but has yet to be fully enacted.

In light of the lack of implementation or enforcement of AB 45 and the proliferation of intoxicating hemp products available to California consumers, CCIA released a white paper in October 2022 entitled “Pandora’s Box: The Dangers of a National, Unregulated, Hemp-Derived Intoxicating Cannabinoid Market.” This extensively researched white paper highlights the serious public health and safety concerns due to a lack of enforcement on unregulated intoxicating hemp products in the state, and across the country. It explains how the 2018 Farm Bill removed industrial hemp from being treated as a Schedule 1 drug allowing it to be sold commercially and shipped between states. This allowance has led to the sale of intoxicating hemp products, often chemically synthesized, throughout the country, including in California, with potency thresholds far exceeding the permissible limits for cannabis.

California cannabis companies and elsewhere are subject to THC potency caps, age restrictions, rigorous testing standards, stringent labeling requirements, child-resistant packaging, and advertising restrictions. The regulated cannabis industry is also prohibited from mimicking conventional snack food, marketing products as candy, or making products that appeal to children. The CCIA white paper clearly shows several examples of flagrant advertising specifically aimed toward children with what could be considered extremely high doses of intoxicating hemp derived cannabinoids.

To this point, the CDPH has failed to fully implement mandates under AB 45 and establish a licensing structure for hemp manufacturers, both of which are essential to protect public health and safety.

Without the proper and timely implementation of enforcement provisions under AB 45, California risks the further proliferation of unregulated intoxicating cannabinoid products jeopardizing the health and safety of consumers, especially those targeting children. Additionally, the lack of a licensed regulatory structure by the CDPH, and the DCC’s delay to offer guidance around how hemp may be integrated in the cannabis supply chain, are additional burdens on our state’s struggling licensed cannabis operators. The State is further deprived of the generated tax revenue that would be collected from the sale of intoxicating cannabinoid products at regulated cannabis dispensaries.

As proud supporters of AB 45, CCIA respectfully requests that the CAC discuss this issue at a future committee meeting. Moreover, we urge the DCC and the CDPH to immediately prioritize the full implementation and enforcement of AB 45.

For any questions around this topic, or CCIAs other policy objectives, please contact CCIAs legislative advocate Amy Jenkins at amy@precisionadvocacy.co or (707) 291-3270.

Thank you for your attention to this request. We look forward to partnering with you on this and other issues of importance to California's legal cannabis industry.

Sincerely,

A handwritten signature in black ink that reads "Lindsay Robinson". The signature is written in a cursive, flowing style.

LINDSAY ROBINSON
Executive Director

CC: Assemblymember Cecilia Aguiar-Curry
Members, Cannabis Advisory Committee
Nicole Elliott, Director, Department of Cannabis Control
Tomás J. Aragón, MD, DrPH, Director, Department of Public Health