

September 5, 2023

Cannabis Advisory Committee
Attn: Public Health and Community Impact Subcommittee
Department of Cannabis Control Headquarters
2920 Kilgore Road
Rancho Cordova, CA 95670
cac@cannabis.ca.gov

[submitted via electronic mail]

Re: Comments to Public Health & Community Impact Subcommittee - Update on the CDPH High Potency Think Tank.

Dear Subcommittee Chair, Members, and Staff:

The California Cannabis Industry Association ("CCIA"), representing licensed cannabis businesses across California, appreciates the opportunity to provide feedback to the Public Health and Community Impact Subcommittee on the CDPH High Potency Think Tank Update. As an organization that has been committed to the pursuit of consumer public health and safety since our inception in 2013, we wish to highlight a concern beyond high potency cannabis, and address the issue of setting limits on hemp-derived products to prevent intoxication. The current lack of such standards has led to the proliferation of unregulated, intoxicating hemp-derived cannabinoids across California to the detriment of the regulated industry and consumers.

Since the passage of the 2018 Farm Bill, CCIA has actively advocated for clear regulations regarding hemp production and sales in California. We co-sponsored <u>AB 45 (Aguiar-Curry, 2021)</u>, which established a comprehensive framework for the safe and legal manufacturing and sale of non-intoxicating hemp cannabinoids in various products, ensuring public safety.

However, the loose definition of hemp under the Farm Bill created loopholes in the manufacturing process, resulting in the proliferation of highly intoxicating cannabinoid products being sold as "hemp" in California. Our white paper, "Pandora's Box: The Dangers of a National, Unregulated, Hemp-Derived Intoxicating Cannabinoid Market," highlights how manufacturers exploit these gaps to produce synthetic cannabinoids much stronger than traditional, regulated cannabis products containing delta-9 THC.

This situation undermines the state's ability to regulate and tax intoxicating cannabinoid products, affecting licensed cannabis operators who have invested significantly in compliance. Additionally, it leads to a decline in tax revenues, crucial for public safety, youth prevention, environmental mitigation, and community reinvestment.

This legislative session CCIA proudly supported AB 420 (Aguiar-Curry)¹ to increase enforcement for AB 45 and provide express limits on these products, including a **non-detectable THC cap** in hemp items as advanced in CCIA's most recently distributed Fact Sheet entitled "FACT & FICTION: THC Limits in Hemp." Unfortunately, the bill was recently held in the Senate Appropriations Committee, necessitating a renewed focus from state regulators around addressing the proliferation of intoxicating cannabinoid products outside the regulated system.

In response to AB 420 and amendments proposed by the Department of Cannabis Control and the Administration to set a cap at non-detectable levels of THC similar to Washington state's model, the U.S. Hemp Roundtable ("UHR") provided a white paper, attached for ease of reference, entitled "Recommended Upper Limit THC Levels: Hemp-Based Extract Products." In their white paper UHR recommends a *very* concerning allowance of **5mg THC**, without ratio to CBD limits, container limits, age-gating, warnings, or taxation. It inaccurately relies on medical marijuana research, ignoring misuse, abuse, and consumer confusion potential. The Subcommittee should investigate the full spectrum of potency from what has the potential for intoxication to max potency allowances/restrictions.

Additionally, a distressing number of these products are being deliberately marketed towards youth. This concerning development is most evident in their ubiquitous availability across gas stations, convenience stores, smoke shops, and e-commerce platforms with minimal to no age-gating. This issue reached a pivotal juncture when federal regulatory bodies—the FTC and FDA—united their efforts to combat the growing problem.³ Their joint cease-and-desist letters were sent to companies blatantly promoting intoxicating hemp products that mimic traditional trademarked consumer goods, raising a national red flag around this grave concern.

This urgent issue of intoxicating hemp products poses significant risks to public health and erodes trust in the licensed cannabis industry, and requires the immediate attention of public health officials and state lawmakers. We look forward to supporting the Subcommittee in addressing this critical matter and engaging in further dialogue around cannabis - and hemp - potency, testing standards, marketing regulations, and more.

Respectfully submitted,

Pamela Epstein, Esq., LLM

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CCIA Board President

https://growthzonesitesprod.azureedge.net/wp-content/uploads/sites/421/2023/09/AB-420-Why-a-potency-cap-is-needed-Aug.-28-2023.pdf

²https://growthzonesitesprod.azureedge.net/wp-content/uploads/sites/421/2023/09/Factsheet-THC-Caps-Hemp-2.pdf ³https://www.fda.gov/news-events/press-announcements/fda-ftc-warn-six-companies-illegally-selling-copycat-food-products-containing-delta-8-thc