



WASHINGTON CANNABUSINESS ASSOCIATION 2015-2016 REGULATORY AGENDA

Since the passage of initiative 502, the Liquor and Cannabis Board has done an outstanding job in crafting rules for this developing industry. WACA supports maintaining the integrity of the current licensing process. The rigorous standards for licensing are important to ensure that reputable businesses are allowed to receive licenses.

As with all complex regulatory systems, changes are needed to perfect these rules. With that in mind, WACA proposes the following adjustments to the regulatory structure. These changes are meant as constructive suggestions to strengthen the rules for 502 licensees.

Priority #1 Eliminate quarantine and sub-batching

While we understand why these rules were enacted in the first place, they have not provided real value to the state or industry partners. This step in the process creates costly delays in getting product to market. WACA proposes changing the rules to allow product to go to market once final testing has occurred and the product has passed.

Priority #2 Adjust serving size/dosage to an acceptable range

For processors, it is very difficult to hit the hard target of 10 milligrams (mg) of THC per serving exactly. A product that tests at 10.5 mg is technically not allowed, which causes higher costs and potential loss of entire batches. We propose mirroring how the FDA regulates certain products by creating an acceptable "range" of THC. It seems reasonable to set that range at +/- 20% of the labeled value, meaning that a product labeled as containing 10 mg of THC would still be in compliance if it contained roughly 8-12 mg of THC.

Priority #3 Standardize testing outcomes for labs

Testing procedures vary widely among different labs. That is ok and encourages innovation in analytical testing. What is not ok is widely varying results. Creating a standardized proficiency-testing program that vets the accuracy of results produced by labs will help ensure consistent results. This is similar to how medical labs that provide blood cholesterol tests, such as Quest Diagnostics, are vetted and regulated.

Priority #4 Allow producer/processors to conduct Research and Development

Under current rules every little bit of marijuana must be traced from seed to sale. This allows very little opportunity for processors to research potential new products. If a small percentage of marijuana were allowed to be separated from a batch for R&D this would help processors immensely. Of course, that product would also have to be traced to ultimate product or disposal.

Priority #5 Allow people to hold more than 3 licenses

Liquor laws do not limit the number of licenses one person can have. We believe the 502 rules should be the same. A license-holder who has successfully passed the rigorous standards for a single license should not be limited as to the number of times they are able to prove they meet all the requirements of the law in order to earn additional licenses.