

Governors Marijuana Advisory Task Force:

Meets Monday @ 11:00am

December 19th, 2022

Members: Lief Abel, Rob Carter, Brandon Emmett, Gary Evans, Brian Fechter, Samuel Hachey, Nick Miller, Frank "Dru" Malone, Aaron Stiasny, Ryan Tunseth, Joan Wilson, Jana Weltzin

Absent: David Pruhs

Support: Maya Ali & Bailey Stuart

Agenda Items	Discussion	Decision(s)/Conclusions
Approval agenda & meeting minutes from December 12th, 2022	Ryan Tunseth motions to approve agenda & meeting minutes for December 12 th , 2022 Brandon Emmett 2nds motion. Task Force members voted in favor.	Agenda & meeting minutes approved.
Times, dates & locations for upcoming in-person meetings	<ul style="list-style-type: none">Monday December 26th is a holiday. The meeting is moved to Tuesday December 27th at 11am.Monday January 2nd is a holiday. The meeting is moved to Tuesday January 3rd at 11am.January 9th from 9am to 5pm the conference room on the first floor of the Atwood Building is reserved for in-person Task Force subcommittee meeting 9am to 3pm. This meeting will also be held on Zoom.January 9th from 3pm to 5pm is the official Task Force meeting to review draft written by subcommittee. This meeting will also be held on Zoom.	Subcommittee is being formed to draft letter to Governor. Drafting meeting will be held at the Atwood Building on January 9th from 9am to 3pm. Formal Task Force meeting to follow from 3pm to 5pm to review draft.

<p>Continued discussion on how to define intoxicating cannabinoids:</p> <p>a. What defines a hemp product?</p> <p>b. What is the definition of intoxicating cannabinoid? Naturally derived v. Synthetically derived</p> <p>c. Ratio approach discussion</p>	<ul style="list-style-type: none"> • METRC has not provided raw data requested by Task Force to Dept of Revenue (DOR). <p>Joan Wilson <i>“Oregon took the stage of defining hemp in three specific ways. With the major thing to realize is Hemp Items is the one that is intended to address hemp products that are intended for human consumption or use... And the approach Oregon took was to take that term Hemp Item and include in what they call adult use cannabis item, we probably have to call it recreational marijuana item or marijuana/marijuana product. Unless we do this all over. And in essence that limits the sale of what, they never use the word intoxicating, which I really like, because I think intoxicating is hard to define. But they basically set a potin anything over a specific level because a part of the recreational market. Is tracked in METRC and can only be sold at the retail level and is taxed as well.”</i></p> <ul style="list-style-type: none"> • Hemp Item is considered an adult use cannabis item if the unit of sale contains .5mg or more of delta-9-THC, any isomer, or any other cannabinoid advertised or manufactured as intoxicating. • Oregon System does not refer to cannabinoid intoxication • Oregon System has final form testing and excludes synthetically derived. • Currently under the Division of Agriculture in Alaska no final form testing is required. • Task Force is concerned about public health issue with not requiring final form testing. • Oregon system that does not limit daily mgs does not address the full public safety issues. Rob Carter <i>“I can put half a milligram in one gummy and go in and buy an entire jar of gummies and achieve the exact same goal. I have lunch instead of a snack. How does any of this solve the initiative.... Limitations are great. But if you only limit how much or how many milligrams can be per serving your product, but you don’t limit the amount of servings that individual can buy in 24 hour period. You’ve addressed no issue.”</i> <p>Ryan Tunseth <i>“The parts that I saw that were protection for consumers were really around the final form testing, and then exclude what they call the synthetic cannabinoids, or ones that are, you know, created through isomerization from the standpoint that those products are in violation of the Analog Act, which basically says that they need to be further studied first. And I think that’s why they probably excluded</i></p>	<p>Department of Revenue still waiting to receive raw data from METRC.</p> <p>Task Force public health issue is with final form product testing not being required under the Division of Ag.</p> <p>Collective Task Force goals:</p> <ul style="list-style-type: none"> • Clarifying authority • Recreational industry to thrive & Industrial Hemp industry • Protect public safety • Recreational market to stabilize • Equal taxation • Equal testing • New members to Marijuana Control Board representing hemp industry and marijuana industry
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those in there. Because even if there's testing, there may not be testing for all of the constituents and things that would go into the process of isomerization, so that there could potentially still be a threat to the public."

- Division of Agriculture has no budget to physically go out there and enforce Industrial Hemp regulations. It is the Task Force job to highlight this issue to the Governor.
- Task Force job is to identify what should be under the Division of Agriculture and what should be under AMCO's (Alaska Marijuana Control Office) jurisdiction.
- Colorado's draft outline;
 - Brief History of Marijuana
 - Definitions
 - Back story of recommendations
 - Executive summary
 - Administrative rules
 - History of the FDA
 - Hemp requirements
 - Outline of cannabinoids
 - Opinions of different Task Force members
- Task Force potentially recommends a state financed lab for testing final form products under question.
- Task Force should recommend a final definition of synthetic cannabinoid. The process should be approved under a state program.
- Task Force could recommend more seats on the Marijuana Control Board including a Hemp seat and another Industry seat, creating a 7 member board.
- How does the state prevent sales through the internet? Potentially sending cease and desist orders until retailers stop selling to Alaska.
- What is the extent of NOV's (Notices of Violation) that have been issued by the Dept of Ag? 0. What is the Task Force going to do about this?
- Collective Task Force goals:
 - Clarifying authority
 - Recreational industry to thrive & Industrial hemp industry (without undue advantage)
 - Protect public safety
 - Recreational market to stabilize

	<ul style="list-style-type: none"> ○ Equal taxation ○ Equal testing ○ New members to Marijuana Control Board representing hemp industry and marijuana industry ● Division of Agriculture’s goal is to build the growth of the industrial hemp in the State of Alaska and enforced by education before issuing NOV’s. Division of Agriculture goal is to make it less onerous to do business in the State of Alaska and protect the people. 	
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Public Comment

Levi Miller “How’s everybody doing? I’d really like to thank I think that you bring forward some really good goals. And I really appreciate, you know, the inclusiveness you have towards the hemp industry. And I would like to thank, Jana. Thank you for bringing this Colorado task force report forth. I think they did a very good job, you know, some of it I like, some of it I love, some of them not so much of a fan of, and I think that kind of, you know, like Jana said earlier, not everybody is going to be happy. And I think that that means that you kind of came to a good result it’s not zero sums and not one industry happier over the other. But I think Colorado is put some pretty good things, especially on their Safe Harbor Clause, of protecting industries in their state that maybe they don’t allow to sell those intoxicating products in their stores, but what they allow is those manufacturers to stay within that state. So, then they’re not having to like, what Rob was saying, leave after they’ve invested lot of money in this, in the state, they’re having to go to another state that would allow them to. But what they’re also doing, to kind of go off with what Joan is saying that she didn’t like about Oregon, they’re also putting in statutes to saying that they want very regulated record keeping. And that they’re not going to allow sales to states that have programs in place and laws in place that prohibit 0.3% So let’s say, you know you wouldn’t be able to sell to Oregon at more than 25 milligrams per package. You wouldn’t be able to sell to Colorado. They wouldn’t be able to sell to Alaska over 50 milligrams, as it stands, you know, we move into retails, maybe 100 milligrams, but I feel like that, that’s a very a good way of doing it, and not like egregious, and not shut down industries and making them move. But yeah, I’d recommend that everybody maybe read that report from Colorado, because I think that they have a lot of good information?”

Brandon Emmett, speaking to discussion on Industrial Hemp program

registrants converting CBD into other cannabinoids: *“When we get back to the goals... I know this is the public comment, but this is what we really got to tackle. If we cannot stop this from happening in hemp, which I don't think we can. That we need a tax structure and regulatory structure which addresses the entire plant, and of which is equitable to all, because Rob (Cater) and Levi (Miller) are right in that this is just going to keep happening. There's so much that goes into trying to stop and regulate this at the end of the day. This Task Force needs to figure out a structure and regulatory recommendations that make it to where the marijuana industry can compete and survive. But that all of the things that we want to address for public health and safety are captured for the hemp industry.”*

Dan Ferguson *“I'm the owner of Primo retail store. I'd like to give input on the hemp products so the Dept of Ag, I think, has actually done a great job in regulating the hemp program. I have 34 products approved under the program, 29 of which are THC infused edibles with full testing for pesticides and heavy metals. Which the cannabis industry doesn't do whatsoever. Do you have any idea how long it would take to get 29 edibles approved, and were am, too, and how much money it would cost. So that's the real difference that we're talking about. If you regulate this the way you're planning on regulating it, you will ruin the industry, and, in fact, all you will really do is force all of these companies to go and produce in another State and ship them directly into Alaska. Which is federally legal completely, and you can't do anything about that, unfortunately. But if it's actually approved in Alaska, they require full testing. All the requirements that Alaska requires, including only 50 milligrams of delta 9. Now keep in mind all the other novel, intoxicating cannabinoids that you've talked about today that are in the presentation. None of those are legal in Alaska already, you can't do any of them and get anything approved legally. So, we are addressing a legal product. If you look at it, we're addressing products that would be illegal in Alaska, never licensed for legal in Alaska, and we're using it as a cudgel to beat the legal hemp industry.”*

Lacy Wilcox *“This is Lacy Wilcox, I'm gonna represent Top Hat manufacturing today which is a product manufacturing company down in Juneau. Just kind of hearing the last testifier Dan, I appreciate you, and we've done business before in the past, and I wanna highlight that the*

business that was done in the past with not just that store, but many stores, is suffering because I squarely cannot compete with the Oreo cookie that was obtained at a very tiny fraction of the price that I would produce something similar to. And when I say similar, the cookie that Top Hat had on the market was ugly and need to be ugly and needed to be low dose, it cost me a lot to make. I paid a lot in taxes to do it, and it fell under all of the regulations the AMCO. So, if we're really wanting to talk about this as one plant and it's safe, and it's so safe that it can be put on Oreos, and it can be sold a fraction of the price with no taxes. And I'm gonna ask that this task force really do make the recommendation that all regulations be stripped back to letting manufacturers in any arena make as brightly colored and as cheap and appealing to all people. Because I like to eat a cookie that doesn't look like dirt but that was what we were operating under, and it's hurt our business. We no longer are selling to many of these stores, and I appreciate that this is a license premises, for these things are being sold. But the shelf space where I once occupied is now occupied by 29 approved THC infused products that I couldn't possibly make. Meanwhile, I'm going to struggle to sell a pound of my raw ingredient with the tax burden, which is the purpose and point of this task force. Unfortunately, these things you can't get to fairness on taxes in one marketplace alone when you've got a looming 0 tax, a situation with clearly very few sideboards on what is considered to be negating public safety or appeal to children. Perhaps we have been looking at it all wrong. And I understand we came out really conservative because we were battling what looked like reefer madness. And maybe we really need to make a primary in the task force report that it doesn't matter anymore if it's brightly colored, and it really doesn't matter if it's got 3,000 milligrams or 3 milligrams, because it's not harmful. It's so not harmful that we've got sanctioned behaviors, allowing non-enforcement of edibles to be sold to children over the Internet and in the gas station. I'm sorry that this has taken so long. This wasn't the intent of this group. But just hearing that last testifier just hit me at home, because that shelf space that was once ours, perhaps in a couple of different stores isn't. Because I can't blame that person for not wanting to pay for my product, which is twice the price or 3 times the price and looks like an ugly brown Cookie when you could have Oreos. So, I just want to give my perspective as a manufacturer. Thank you."

<p>Items Task Force Members would like to discuss on next agenda – rolling list</p>	<p>Lief Abel motions to table agenda to the December 27th meeting. Sam Hachey 2nds motion</p> <p>Task Force members voted in favor</p> <ul style="list-style-type: none"> • Continued discussion on how to define intoxicating cannabinoid; AS 03.05.100 <ul style="list-style-type: none"> ○ What defines a hemp product? ○ What is the definition of intoxicating? Naturally derived vs. Synthetically derived ○ Ratio approach discussion • How and in what amounts should intoxicating Hemp products be included in the recreational marijuana program; Considerations to be included in recommendation. <ul style="list-style-type: none"> ○ Child resistant packaging ○ Less potency than marijuana products ○ METRC inventory control ○ Looping Hemp products into taxation system ○ AMCO oversight in licensing and product review • Subcommittee creation to draft advisory report to the Governor • Distribution license type • License caps discussion “Limited Entry” • Discussion regarding Marijuana Tax allocation • Discussion on Proof Tax 	
<p>Adjournment</p>	<p>Jana Weltzin motions to adjourn at 1:13pm</p>	