

Matt Giancola

From: Rich Acevedo <rwace1987@gmail.com>
Sent: Tuesday, September 29, 2020 1:52 PM
To: Cannabis Control Commission
Subject: Draft Delivery Regulations

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Tracked To Dynamics 365

Ricardo Acevedo
82 White St, Boston, MA 02128
781-803-0100

Good Afternoon,

Below are my public comments regarding the draft delivery regulations;

935 CMR 500.005 (3); 5(d); 5(e): Fees

EEA and SEP applicants should have ALL fees waived in order to properly address the barriers to entry and the financial feasibility of continued participation in the industry by the populations most harmed.

CMR 500.110 (8): Security Requirements (Operational Body Camera) & Audits

The outrageous security requirements are just another barrier to entry for individuals with little to no access to capital already.

CMR 500.145 (2)(b): Only Shelf Stable Products Delivered

This takes away from the opportunity to earn more and have a diverse stock of products to offer consumers, patients and caregivers. I believe the licensee should be able to decide what products they can offer and then be required to equip the vehicles with the tools needed to run a successful operation and meet any quality control worries pertaining to perishable items, time or temperature.

CMR 500.145(2)(i): Undeliverable Products

Requiring the Limited Delivery Licensee to return undeliverable products means there is a short window for delivery and earning potential due to the need to return to establishments before closure in order to comply with the requirements set within the delivery agreement based on CCC guidance.

CMR 500.146 (1)(a)(b)(c)(d); (5); (8); 11(b): Additional Operational Requirements for Marijuana Wholesale Delivery

Securing a warehouse (with proper zoning) is essential to operating as a wholesale delivery. Real Estate in and around Boston is already damn near impossible to afford already. This model is setting EEA and SEP candidates up for failure due to the strict requirements.

The Retailers, Manufacturers, Growers, Co-ops, Etc. should be responsible for providing ALL educational material, physical inserts describing products/safety, product database management and anything related to White Labeling. The costs associated with all of the additional requirements is going to be too much for the EEA and SEP applicants to handle.

The addition of the Limited Delivery & the Wholesale Delivery Licenses are a step in the right direction, but there is still more to be done to address the barriers to entry for EEA and SEP applicants and the financial feasibility or lack thereof.

Thank you for your time,

Ricardo Acevedo

Matt Giancola

From: Devin Alexander <d.alexander1993@gmail.com>
Sent: Tuesday, October 13, 2020 12:36 PM
To: Cannabis Control Commission
Subject: Draft Delivery Regulations Public Comment

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Tracked To Dynamics 365

Hi Cannabis Control Commission,

Full Name: Devin Alexander
City: Quincy
State: Massachusetts

I'm emailing to comment on the 935 CMR 500.000: Adult Use of Marijuana draft regulations.

I'd like to see that these regulations also include a few important points that will allow the for an equitable cannabis delivery market to be created.

Main Changes:

Repackaging Equality

Add the ability for [wholesale] Delivery Operators to repackage marijuana and marijuana products purchased from cultivators, manufacturers and other Marijuana Establishments as is allowed for Marijuana Retailers. This will create a level playing field for Delivery Operators when purchasing cannabis.

One Driver

Eliminate the requirement for Delivery Operators and Couriers to have two people in the vehicle during operations. Allowing only one driver will further the commission's aim to keep start-up costs low, increase the ability for independent Retailers to effectively partner with Marijuana Couriers, and maintain safety.

You can view more in this 2 to 1 driver safety presentation:

<https://docs.google.com/presentation/d/1pdIRX8A8oDjLCzDSliiazGOjiJlCrzENdX7kBpOK3Yo/edit?usp=sharing>

Prioritize Exclusivity

Open the application portal for Delivery Operator Licenses by Q1 of 2021. We also request that the 3-year Exclusivity window starts at the commence operation date of the first [wholesale] Delivery Operators. This will allow [wholesale] Delivery Operators to not lose time in their exclusivity window due to Marijuana Couriers commencing operations first.

Minor Changes:

Clear & Concise License Names

Change the name of the "Wholesale Delivery Licensee" and "Limited Delivery Licensee" to Marijuana Delivery Operator and Marijuana Courier respectively. The word "wholesale" in this context only creates confusion. The word "Limited" does not clarify anything in regards to its license type. The word "Licensee" (nor "License") does not appear in any other

license type. Providing straightforward and concise names to the license types will create clarity for busy municipal officials and other stakeholders as to what delivery companies are proposing to do in their cities and towns.

Ownership Limitations

Ban 3rd party tech platforms from owning any portion of a delivery company. This will prevent an Amazon type of entity from taking over the delivery market.

We also support maintaining the following elements of the existing draft regulations:

Creation of a wholesale delivery license with the ability to store products overnight

The extension of the exclusivity period.

The classification that delivery companies are not defined as retailers.

Ability for delivery companies to white-label.

Thank you!

Dear Massachusetts Cannabis Control Commissioners,

Thank you for the opportunity to comment on the draft delivery regulations. Our comments are based in our expertise on product packaging, labeling, and branding, and the influence those factors have on risk perceptions, purchase behavior, and use behavior within different contexts and populations. Our collective body of research includes studies on the effects of explicit and implicit packaging elements; the influence of tobacco brands and packaging on smoking behavior; use of cannabis labels to protect consumer health; and perceptions of U.S. and Canadian cannabis package warnings among U.S. adults. We hope these comments will help you develop policy that will protect public health while also supporting economic empowerment and equity businesses.

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Comments on Section 500.002 Definitions

- **Include definition of “repackaging.”**

The draft regulations would be stronger if this section included the definition of “repackaging” to clarify the relationship between “repackaging” and “white labeling.” Our understanding is that repackaging can include white labeling, whereas white labeling itself does not constitute repackaging. However, the draft regulations are not clear on this point.

- **Resolve discrepancy in definitions of “wholesale.”**

A “Marijuana Wholesale Delivery License,” is defined as one that authorizes entities to sell to consumers. However, later in the Definitions section, “wholesale” is defined as “the Transfer of Marijuana or Marijuana Product *between Marijuana Establishments*” (emphasis ours). This discrepancy might result in a future challenge to the regulations if not clarified.

- **Align the name of the license with license function.**

The term “Marijuana Wholesale Delivery License” suggests a license for the purpose of delivering wholesale or bulk quantities of marijuana, when in fact there are limitations on purchase amount for this type of license. The public will likely misunderstand this. It is important to maintain the trust of the public by communicating with them as clearly and accurately as possible. We therefore recommend aligning the name of the license with the license function, perhaps by calling this a “Delivery Operator License,” as proposed by one of the Commissioners.

Comments on Sections 500.105(5a) Labeling of Marijuana Not Sold as a Marijuana Product and 500.105(5b) Labeling of Edibles

- **Prohibiting white labeling of vaporizer devices may protect public health.**
We support that the draft regulations prohibit white labeling of vaporizer devices. Vaping cannabis is an emerging, popular route of cannabis administration, with risks that differ from those posed by other methods of consumption.^{1,2} For example, use of illicit cannabis vaporizer devices has been associated with “E-cigarette, or Vaping, product use Associated Lung Injury” (EVALI), a serious lung disease associated with at least 57 deaths in the U.S.³ EVALI has been linked to the contents of cannabis vaporizer devices, specifically the use of Vitamin E acetate in the e-liquid.³ Repackaging or white labeling of cannabis vaporizer devices increases the risk that important information about product contents may be removed or modified.
- **Permitting white labeling for wholesale delivery licensees likely will not increase the harm associated with cannabis packaging and labeling.**
A large body of research shows that tobacco product packaging—including labels and other design elements—functions as tobacco advertising, exposure to which decreases the perceived risk of tobacco use, increases the odds of cigarette smoking among youth, and increases impulse purchases and relapse among adults who are trying to quit.^{4,5} Similarly, cannabis packaging may impact perceived risk and decisions to use cannabis.

The question currently before the Cannabis Control Commission, however, is whether permitting white labeling by wholesale delivery licensees will increase risk or negative outcomes for the public. From our perspective, if white labeled products are required to comply with regulations relating to labeling, packaging, and the product database, there is no reason to think they will increase the overall risk to public health relative to marijuana and marijuana products sold under the original labeling. In other words, we would not expect the white labeled products to be systematically more harmful than non-white labeled products.

Although we do not foresee white labeling by wholesale delivery licensees increasing overall risk to public health, white labeling may undermine the viability of small businesses. Licensees that elect to white label will need to cover the substantial costs of brand development, label production, and label application. They will hold responsibility for ensuring that all of the required labeling elements are accurately reproduced and/or that labels don't obscure required information. Licensees will shoulder these costs with no evidence to suggest that the white labeled merchandise will generate better sales than merchandise with its original labeling.⁶

It is worth noting that packaging and labeling can be regulated to reduce or eliminate the influence of branding on risk perceptions and use.^{7,8} Should Massachusetts ever wish to explore that possibility, there is substantial research that could be applied when developing such regulations.

- **Prohibiting white labeling for wholesale delivery licensees might have unintended consequences.**

One potential drawback to prohibiting white labeling by wholesale delivery licensees is that, should they white label in violation of the regulations, they would be subject to negative repercussions for engaging in a practice that is permitted for retailers. Therefore, prohibiting white labeling for wholesale delivery licensees might inadvertently reproduce the historical pattern whereby cannabis policy produces different and more negative outcomes for less resourced people and people of color.⁹

Comments on Section 500.105(5b) Labeling of Edibles

- **Replace general instructions to include “Directions for use” on edible labels with specific, tested language providing consumption advice.**

Focus groups conducted by RTI colleagues in Washington and Colorado in 2016 show that consumers did not understand the consumption advice on edible labels.¹⁰ This is particularly relevant because another RTI study indicates that use of edibles and trying new cannabis products in general are associated with unexpected experiences. The authors conclude that negative consumer experiences with cannabis “may be averted through a better understanding of how to use product packaging to communicate with consumers.”¹¹ Based on body of evidence, we recommend that the general requirement to provide consumers with “Directions for use of the Marijuana Product” (Section 500.105(5b) (11)) be revised to require the following language (including capitalization) which focus group participants found clear and informative: “CONSUMPTION ADVICE: Until you know the effects of this product, eat only half a segment and wait at least 75 minutes before consuming more.”¹⁰

Comments on Section 500.105(6) Packaging of Marijuana and Marijuana Products

- **Retain the proposed text to prohibit bright colors, and the existing regulation requiring packaging that is plain in design.**

Research suggests that consumers do not read cannabis product labels because they are visually cluttered and convey “too much information.”¹⁰ Moreover, evidence from the tobacco control literature suggests that branding, graphics, and color on packages can make products seem less harmful and detract from the attention paid to product warnings.¹¹ Therefore we support both the existing text of the regulations, calling for packaging that is “plain in design,” and the proposed text that prohibits “bright colors.” We also agree with restrictions against the use of cartoon characters and other features designed to appeal to minors, as use of those design elements has been shown to contribute to youth uptake of tobacco products.^{12,13}

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Matt Giancola

From: Alex Athanas <alexathanas@gmail.com>
Sent: Thursday, October 15, 2020 4:40 PM
To: Cannabis Control Commission
Subject: Opposition to new delivery license regulations

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Tracked To Dynamics 365

To whom it may concern:

This letter is to show my opposition to the recent legislature passed that supports delivery licenses. From what I understand, the regulations allow delivery licensee's to obtain whatever product they are to sell directly from wholesalers, then store (in a warehouse), and deliver on demand.

As an entrepreneur who has been involved in the industry for almost 4 years now, I obtained a PCR for a medical marijuana license in 2018 (phytotherapy). Since, I have been investing a lot of money to get my cultivation facility operational as well as my (medical only) dispensary in Peabody operational. I believe the delivery license completely undermines someone like myself and the investment I've put into the business to date. If deliverers can completely cut out the dispensary, then the dispensary in some ways will become obsolete and lose a majority of their business. The overhead for operating a delivery business is so much lower than someone in my position or someone with just a dispensary it is unfair for us.

In addition to the negative impact the delivery system will have on my business I can see it being difficult to regulate therefore actually benefiting the black market, which is the opposite of what this industry is about.

Lastly, I believe the communities in which these dispensaries are located will be negatively impacted by these delivery licenses. They will lose tax revenue on the dispensaries that are located in them and the deliverers will not be required to pay any community impact fees.

I just ask to please reconsider the regulations regarding delivery licensing and keep in mind all the people that have invested their life's savings and all the time we've put into this industry to build a business that benefits all the patients and all the communities in which they are located.

Thanks for the consideration,
Alexander Athanas

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Alex Athanas
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Matt Giancola

From: Jason Backman <jason.backman@alfredsfine.com>
Sent: Tuesday, October 13, 2020 1:59 PM
To: Cannabis Control Commission; info@masscad.org
Subject: Draft Delivery Regulations Public Comment (w/comments)

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Tracked To Dynamics 365

Hi Cannabis Control Commission,

Full Name: Jason Backman
City: Plympton
State: MA

To Whom it may concern,

Part of this message was forwarded from the MCAD, however I do agree with their assessment. For full disclosure, I represent ***Alfred's Finest***.

As we try to figure out how we can successfully operate and become a major contributor to the Social Equity program, we have become aware of some possible obstacles in current regulations.

Please read the additional comments that I added on the bullet points.
(MCAD comments have been italicized)

"I'm emailing to comment on the 935 CMR 500.000: Adult Use of Marijuana draft regulations.

I'd like to see that these regulations also include a few important points that will allow the for an equitable cannabis delivery market to be created.

Main Changes:

Repackaging Equality

Add the ability for [wholesale] Delivery Operators to repackage marijuana and marijuana products purchased from cultivators, manufacturers and other Marijuana Establishments as is allowed for Marijuana Retailers. This will create a level playing field for Delivery Operators when purchasing cannabis."

Not having the ability to repackage puts an undue financial and logistical burden on Delivery. In order to be financially viable it is of utmost importance to be able to purchase in bulk or by the pound. This also limits our ability to meet our consumers needs. (What happens if we run out of a particular package size during a delivery day? Imagine going to a Pizzeria and the person behind the counter tells you that we sell pizza, but today we only have 1/4 pizzas for sale?)

"One Driver

Eliminate the requirement for Delivery Operators and Couriers to have two people in the vehicle during operations. Allowing only one driver will further the commission's aim to keep start-up costs low, increase the ability for independent Retailers to effectively partner with Marijuana Couriers, and maintain safety."

There is another factor to consider: Having only one driver will allow us to offer higher wages. We are looking to provide real living wages to all our employees, requiring two drives will limit our ability to do so.

You can view more in this 2 to 1 driver safety presentation:

<https://docs.google.com/presentation/d/1pdIRX8A8oDjLCzDSliiazGOjiJlCrzENdX7kBpOK3Yo/edit?usp=sharing>

"Prioritize Exclusivity

Open the application portal for Delivery Operator Licenses by Q1 of 2021. We also request that the 3-year Exclusivity window starts at the commence operation date of the first [wholesale] Delivery Operators. This will allow [wholesale] Delivery Operators to not lose time in their exclusivity window due to Marijuana Couriers commencing operations first."

I agree that exclusivity will be lost under the current timetable.

"Minor Changes:

Clear & Concise License Names

Change the name of the "Wholesale Delivery Licensee" and "Limited Delivery Licensee" to Marijuana Delivery Operator and Marijuana Courier respectively. The word "wholesale" in this context only creates confusion. The word "Limited" does not clarify anything in regards to its license type. The word "Licensee" (nor "License") does not appear in any other license type. Providing straightforward and concise names to the license types will create clarity for busy municipal officials and other stakeholders as to what delivery companies are proposing to do in their cities and towns.

Ownership Limitations

Ban 3rd party tech platforms from owning any portion of a delivery company. This will prevent an Amazon type of entity from taking over the delivery market."

I dont view Ownership Limitations as a "minor" change. The MA cannabis industry has already been inundated with out of state investors. We should do everything possible to ensure that the proceeds and profit from the industry remain in the Bay State, and discourage monopolization.

"We also support maintaining the following elements of the existing draft regulations:

Creation of a wholesale delivery license with the ability to store products overnight"
(Without this ability Delivery is virtually impossible without a retail location)

"The extension of the exclusivity period.

The classification that delivery companies are not defined as retailers.

Ability for delivery companies to white-label."

I look forward to future collaborations,

Thank you

Jason Backman

To Whom It May Concern:

Bountiful Farms appreciates the work the CCC has done in drafting amendments to the Medical Use Regulations. Our comments focus on the section in the current regulations that imposes burdens on MTCs that are unnecessarily inconsistent with the requirements for CMOs or Adult-use producers and which create disparities that place MTCs at a distinct operational disadvantage and negatively impact access to Medical-use cannabis for Qualifying Patients in Massachusetts.

Bountiful Farms respectfully requests that the Cannabis Control Commission (“CCC”) amend the proposed Medical Use of Marijuana regulations at 935 CMR 501 *et seq.*, (the “Medical Use Regulations”) to allow Marijuana Treatment Centers (“MTCs”) to wholesale Marijuana Products under the same standards currently proposed for Co-Located Medical Operations (“CMOs”) and Adult-use producers. As drafted, the proposed regulations allow CMOs and Adult-use producers to wholesale 65% of their inventory if operational for less than 6 months. If operational for more than 6 months, CMOs and Adult-use producers may wholesale as much of their inventory as is left over after the CMO or Adult-use producer analyzes demand and retains inventory sufficient to meet that demand. MTCs are not afforded the same flexibility, as their ability to wholesale is capped by the arbitrary 45% restriction set forth at 935 CMR 501.105.8(j). As a result, MTCs are disparately and negatively affected. Like CMOs or Adult-use producers, MTCs should also be able to wholesale without a flat cap on amount, so long as inventory is maintained to meet patient demand.

Section 501.105.8(j) – Limiting an MTC from Selling More than 45% of Its Production to Wholesale Partners:

2. The distribution and acquisition of Marijuana, except MIPs, to and from all other MTCs does not exceed, cumulatively, 45% of the MTC's total annual inventory of Marijuana as measured by weight; except that such requirement shall not apply to CMOs; and

3. The distribution and acquisition of MIPs to and from all other MTCs does not exceed, cumulatively, 45% of the MTC's total annual inventory of MIPs as measured by its dry weight equivalent to Marijuana; except that such requirement shall not apply to CMOs;

Bountiful Farms has always intended to keep our focus on Qualifying Patients and to remain a Medical-use only company. We realize that this mission-driven position limits the size of our potential market. Our goal is that Bountiful Farms will become synonymous with premium Medical-grade cannabis products. We are dedicated to excellence and are confident that Bountiful Farms will attain a reputation for producing premium, medical-grade cannabis products that Qualifying Patients across Massachusetts will seek out. Since our own dispensaries will only reach a minority of the Qualifying Patients in Massachusetts, having the ability to sell our products through other dispensaries without excessive limitations on the ability to wholesale set

forth in draft Subsections 501.105.8(j)2. and 3., which are arbitrarily higher than those imposed upon CMOs or Adult-use producers, is important to our success and to patient access.

As such, Bountiful Farms respectfully advocates that MTCs should be subject to the same requirements that the CCC proposes to apply to CMOs pursuant to draft Section 500.140 (15):

500.140 (15) Patient Supply.

(a) A CMO shall ensure access to a sufficient quantity and variety of marijuana products, including marijuana, for patients registered under 935 CMR 501.000: *Medical Use of Marijuana*.

1. Where the CMO has been open and dispensing for a period of less than six months, the license[e] shall reserve 35% of the MTC's marijuana products.

2. Where the CMO has been open and dispensing for a period of six months or longer, the licensee shall maintain a quantity and variety of Marijuana Products for patients registered under 935 CMR 501.000: *Medical Use of Marijuana*, sufficient to meet the demand indicated by an analysis of sales data collected by the licensee during the preceding six months in accordance with 935 CMR 501.140(5) *Recording Sales* and 935 CMR 501.140(5): *Recording Sales*.

(b) Marijuana products reserved for patient supply shall, unless unreasonably impracticable, reflect the actual types and strains of marijuana products documented during the previous six months. If a substitution shall be made, the substitution shall reflect as closely as possible the type and strain no longer available.

(c) On a biennial basis, the CMO shall submit to the Commission an inventory plan to reserve a sufficient quantity and variety of medical-use Marijuana Products for Registered Qualifying Patients, based on reasonably anticipated patient needs as documented by sales records over the preceding six months. On each occasion that the supply of any product within the reserved patient supply is exhausted and a reasonable substitution cannot be made, the CMO shall submit a report to the Commission in a form determined by the Commission.

(d) Marijuana Products reserved for patient supply shall be either maintained on-site at the retailer or easily accessible at another location operated by the licensee and transferable to the retailer location within 48 hours of notification that the on-site supply has been exhausted. CMOs shall perform audits of available patient supply on a weekly basis and retain those records for a period of six months.

(e) The Commission shall, consistent with 935 CMR 500.301: *Inspections and Compliance* or 501.301: *Inspections and Compliance*, inspect and audit CMOs to ensure compliance with 935 CMR 500.140: *Additional Operational Requirements for Retail Sale*. The Commission may, in addition to the issuance of a deficiency statement under 935 CMR 500.310: *Deficiency Statements* or 501.310: *Deficiency Statements* and a plan of correction under 935 CMR 500.320: *Plans of Correction* or 935 CMR 501.320: *Plans of Correction*, demand that the CMO take immediate steps to replenish its reserved patient supply to reflect the amounts required under 935 CMR 500.140(15)(a) or 935 CMR 501.140(12)(a). Failure to adequately address a deficiency statement or follow a plan of correction shall result in administrative action by the Commission pursuant to 935 CMR 500.450: *Marijuana Establishment License: Grounds for Denial of Renewal Applications, Suspension and Revocation* and 935 CMR 500.500: *Hearings and Appeals of Actions on*

Licenses or 935 CMR 501.450: Marijuana Establishment License: Grounds for Denial of Renewal Applications, Suspension and Revocation and 935 CMR 501.500: Hearings and Appeals of Actions on Licenses.

(f) CMOs may transfer Marijuana Products reserved for medical-use to adult-use within a reasonable period of time prior to the date of expiration provided that the product does not pose a risk to health or safety.

Matt Giancola

From: Jonathan Batres <jonathanbatres@gmail.com>
Sent: Monday, October 12, 2020 1:49 PM
To: Cannabis Control Commission
Subject: Draft Delivery Regulations

Follow Up Flag: Follow up
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Categories: Tracked To Dynamics 365

Jonathan Batres
Methuen MA
Jonathanbatres@gmail.com

The newly released draft regulations take an important step towards creating an equitable cannabis delivery market. Through the creation of a wholesale delivery model that aims to be equitable, along with establishing an equity period of 3 years, the Commission has demonstrated leadership within the national conversation on Cannabis Social Equity.

However, there are some key inequities that remain that I feel will prevent the existing draft regulations from creating a fully equitable cannabis delivery market and, as such, we request the following changes to the draft regulations regarding Delivery:

Main Changes:

Repackaging Equality

Add the ability for [wholesale] Delivery Operators to repackage marijuana and marijuana products purchased from cultivators, manufacturers and other Marijuana Establishments as is allowed for Marijuana Retailers. This will create a level playing field for Delivery Operators when purchasing cannabis.

One Driver

Eliminate the requirement for Delivery Operators and Couriers to have two people in the vehicle during operations. Allowing only one driver will further the commission's aim to keep start-up costs low, increase the ability for independent Retailers to effectively partner with Marijuana Couriers, and maintain safety.

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Ban 3rd party tech platforms from owning any portion of a delivery company. This will prevent an Amazon type of entity from taking over the delivery market.

We also support maintaining the following elements of the existing draft regulations:

Creation of a wholesale delivery license with the ability to store products overnight
The extension of the exclusivity period.
The classification that delivery companies are not defined as retailers.
Ability for delivery companies to white-label.



October 15, 2020

Cannabis Control Commission
ATTN: Director of Constituent Services
Union Station
2 Washington Square
Worcester, MA 01604

(Delivered Electronically)

RE: Draft Revised Regulations: 935 CMR 500.00 Adult Use of Marijuana

Dear Chair Hoffman and Members of the Cannabis Control Commission,

On behalf of the cities and towns of the Commonwealth, the Massachusetts Municipal Association is writing to offer comments on the draft revised Adult Use of Marijuana regulations (935 CMR 500) specific to delivery.

In order to serve the public as effectively as possible, cities and towns need effective and workable regulations governing the use of marijuana in Massachusetts. Municipal officials are on the front line of implementing Chapter 55 of the Acts of 2017, and have a responsibility to ensure that it is done in a balanced way that maximizes the benefits of this industry, while providing appropriate consideration and weight to health and safety concerns, and possible adverse impacts on residents, business, neighborhoods, economic development plans, and other important factors. We offer the following comments and look forward to working closely with the Commission towards safe, workable, and effective regulations.

Marijuana Wholesale Delivery License Should Not be Adopted

The MMA is extremely concerned with the definition of marijuana wholesale delivery license within the draft regulations under 935 CMR 500.002, specifically that a marijuana wholesale delivery license is not considered to be a Marijuana Retailer. According to the enabling legislation, a marijuana retailer is the only marijuana establishment that was contemplated to deliver marijuana or marijuana products directly to consumers. To date, no delivery license has allowed direct-to-consumer sales of marijuana. Within existing regulations, the limited delivery license requires a delivery agreement or contract between a marijuana retailer and marijuana establishment with a delivery endorsement or a delivery licensee before marijuana can be sold directly to consumers. A limited delivery license holder cannot sell directly to consumers without that contract. Even marijuana retailers themselves cannot deliver directly to consumers without a delivery license. However, this new license type would allow license holders “to wholesale and warehouse finished marijuana products acquired... and *sell* and deliver...directly to consumers” (emphasis added). The expansion of the wholesale delivery license within this

newest iteration of regulations is not in line with the existing regulatory definitions and is seemingly in direct conflict with the statutory framework.

Although the definitions section of the draft regulations attempts to distinguish the wholesale delivery license from a retailer, under 935 CRM 500.050 a wholesale delivery license is considered to be a marijuana retail license for the purpose of determining license cap limits for entities so that no more than a combined total of three licenses can be awarded. On the other hand, when it comes to municipal control, although the wholesale delivery licensee could sell directly to consumers acting essentially as a retailer, municipalities would not be able to count those licensees against their retail cap if they have one. If it is difficult to square the different delivery licenses within the Commission's own regulations, imagine the difficulty municipalities would have as they attempt to determine how these new licensees would fit within their existing bylaws and ordinances.

Municipalities are also rightfully concerned about the implications this new license type would have on their retail licensees. While we understand that there would be at least a three-year exclusively period for businesses controlled by and with majority ownership comprised of Economic Empowerment Priority Applicants or Social Equity Program Participants, we would urge the Commission to consider moving forward with just the limited delivery license so that the Commission can better understand the interplay between the delivery license and the retail license before taking any further action. The Commission does not yet know how the market may react to a delivery license and we believe it would be prudent to take the time necessary to understand the disruptions this may have on the retail market before greatly expanding the license to include wholesale delivery. Many communities have welcomed recreational marijuana shops, and it would be a shame to see those shops close so early on in the recreational marijuana industry in Massachusetts.

Tax Implications of Delivery

Before voting on the proposed changes to delivery licenses, the MMA respectfully and strongly urges the Commission to first connect with the Department of Revenue (DOR) to understand how definitional changes may affect taxation. With the further proposed expansion of a delivery license to include wholesale delivery, municipalities may be faced with a significant loss of tax revenue from their existing retail shops as sales at those locations drop. Further, while deliveries may increase in communities that do not have brick-and-mortar retail shops open within their borders, those communities may not receive any tax benefits from those sales but may see increased impacts from traffic. Additionally, it is unclear how taxation would work with wholesale delivery and which community would receive the tax benefits of a sale. Prior to a final vote on these regulations, we urge a deeper examination into these discrepancies, and call on the Commission to work with DOR to protect the tax revenue envisioned in the statute, and to provide additional guidance to communities on the taxation of sales by delivery licensees so they can provide that information to those citizens concerned with increased impacts of delivery.

Delivery Should Amount to a Substantial Modification to an Existing License

Under 935 CMR 500.002 a substantial modification "means a material change to a term of a contract that a reasonable person would understand alters the relationship between the parties." In certain cases, marijuana establishments would be required to go back to the Commission to

notify them of substantial modifications or changes. A substantial modification to an existing license type to allow delivery would be a substantial modification of business operations. At the time that retail marijuana establishments entered into host community agreements or held community outreach meetings, they may not have contemplated delivery. In many cases, the delivery license may not have even been in existence. However, the operation of delivery at a retail establishment may look very different than the simple consumer traffic the community originally contemplated. This may be particularly true in dense urban areas where there is no nearby parking and consumers ordinarily have to be shuttled in to access the retail store. A retail establishment could have delivery drivers parking outside in order to pick up deliveries under the draft framework. In addition, with the proposed expansion of the wholesale delivery license, there would be increased traffic at cultivators and manufacturers that communities would certainly not have contemplated prior to this change.

With the potential that delivery could expand very quickly, even within the exclusivity period, we strongly believe that the marijuana establishment where products can be acquired for delivery should be required to notify the community of this substantial modification in their business operations to allow communities to alter any local license or regulations needed to account for this change. Understanding the reasoning behind the exclusivity period, the onus should be put on the marijuana establishment where the products are to be acquired instead of the delivery licensee to complete this step. Ultimately it is the marijuana establishment where marijuana or marijuana products are being picked up whose business operations are changing to account for delivery. We urge the commission to add this necessary step to the regulations.

MMA Commends Comments from the Municipal Legal and Public Safety Community

In addition to the issues raised in this letter, the MMA also supports comments and recommendations from the Massachusetts Municipal Lawyers Association and municipal public safety officials. It is the MMA's hope that these regulation amendments will be developed and implemented in a deliberate way to ensure balanced and long-term stability and success for all stakeholders. We are a willing partner and resource for you as you finalize these important changes.

Thank you for the opportunity to submit comments regarding the draft regulations. If you have any questions, please do not hesitate to have your staff contact me or MMA Senior Legislative Analyst Brittney Franklin at (617) 426-7272 or bfranklin@mma.org at any time.

Thank you very much.

Sincerely,



Geoffrey C. Beckwith
Executive Director & CEO

Matt Giancola

From: Cannabis Business <masscannabisbusiness@gmail.com>
Sent: Friday, October 2, 2020 1:00 PM
To: Cannabis Control Commission
Subject: Draft Delivery Regulations

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Tracked To Dynamics 365

Hello all,

I am submitting public comments regarding two separate draft delivery regulations — first, the regulations requiring two people to be in a delivery vehicle. Second, the ability to hold a Wholesale / Limited Delivery License, Social Consumption License, and Microbusiness license as a Social Equity Program Participant.

1. I am partnering with Grassp Health - they have operated in multiple legal states and have never had an issue with driver safety. As my partners, we will be utilizing tracking technology that allows visibility and safety throughout the entire delivery chain. We will know as soon as an order is completed. No other delivery service in the nation requires two people to be present. Alcohol delivery and Opioid delivery all require only one person in the vehicle, and Cannabis Delivery in MA should be treated the same. The regulations, as they stand, create a financial hardship for Social Equity Program Participants like myself. It will double the payroll - and the insurance, which is already at a premium.
2. Social Equity Program Participants who hold a Microbusiness license should be allowed to hold a Social Consumption License and a Delivery License, Limited, or Wholesale. This will help make the exclusivity of the Delivery and Social Consumption Licenses more beneficial to Program Participants. The Delivery Endorsement for Microbusiness license holders is limited in scope. Allowing a license holder to expand delivery operations with the new license types will help build the Social Equity Program.

Please make these very important adjustments to ensure the business success of Social Equity Program Participants.

Respectfully,



Daniel R Berger

Social Equity Program Participant
Granby, Massachusetts
masscannabisbusiness@gmail.com
(518) 603 1000

Matt Giancola

From: Peter Bernard <peter@massgrower.org>
Sent: Wednesday, October 14, 2020 5:04 AM
To: Cannabis Control Commission
Subject: re delivery draft regulations

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Tracked To Dynamics 365

Good morning Good Commissioners,

Great care was taken to place limits preventing monopolies on cannabis licensing. There is an exception... the delivery draft regulations. There is no limitation, aside from license count, placed on this license type. Cultivation, for instance, is tiered and capped out at 100k square feet to prevent anyone from monopolizing cultivation, as AmeriCann tried to do with their million square foot facility, built before the rule.

We are going to have a problem with monopoly in delivery if you don't place restrictions. With the idea of canopy as a measuring point, I suggest limiting how many vehicles a delivery operation might have. Imagine if you will, someone with deep enough pockets to buy 500 cars and one wholesale delivery license. Presto, the Amazon of cannabis is born. Now all the social equity and economic empowerment folks are put out of business, as is anyone else who can't afford a huge fleet.

A failure to limit delivery will 100% guarantee an eventual monopoly on delivery in the Commonwealth. I know it is not a popular opinion. I catch a lot of hate for it. But, the truth is the truth, hated on for it or not. We have already seen big players come in and do their best to monopolize. Let us not give them something so easy as unlimited delivery.

Peter C. Bernard
Executive Director
MassSense
peter@massgrower.org
774-322-6045
Masssense.org

Matt Giancola

From: Bockelman, Paul <bockelmanp@amherstma.gov>
Sent: Thursday, October 15, 2020 4:56 PM
To: Cannabis Control Commission
Subject: RE: Draft Revised Regulations: 935 CMR 500.00 Adult Use of Marijuana

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Tracked To Dynamics 365

Dear Members of the Cannabis Control Commission,

I am offering comments on the draft revised Adult Use of Marijuana regulations (935 CMR 500) specific to delivery.

Marijuana Wholesale Delivery License Should Not be Adopted

Redefining a marijuana wholesale delivery license so that it is not considered to be a Marijuana Retailer is a problem. Your proposed new license type would allow license holders “to wholesale and warehouse finished marijuana products acquired ... and sell and deliver ... directly to consumers”. The expansion of the wholesale delivery license within this newest iteration of regulations is not in line with the existing regulatory definitions and is seemingly in direct conflict with the statutory framework.

As the host community to the flagship campus of the University of Massachusetts and two distinguished private colleges (Amherst College and Hampshire College), the Town of Amherst has serious concerns about this end-run of the local permitting process.

The Town has expended enormous resources to craft local processors and bylaws that are crafted specifically to welcoming the marijuana industry in the community with specific understandings that have been agreeable to the industry officials who have opened facilities here.

A wholesale delivery license is considered to be a marijuana retail license for the purpose of determining license cap limits for the Town. However, your proposed regulations has created questions in my mind as to how these new licensees would fit within our existing bylaws and processes.

Clearly, the Town of Amherst, with one of the highest concentrations of college students in the state, will be a rich environment for direct delivery services. This does a disservice to the Town, our retail partners, and the local officials who have worked so hard on creating the environment for success in Amherst.

The Town has welcomed this nascent industry into the Town of Amherst and has been proactive in establishing clear local processes and bylaws to facilitate development. We are pleased with the retailers that have opened and are preparing to open. We do not want this carefully crafted economic develop model to be compromised by a new, unexpected new player in the field. In short, I am concerned that these delivery services will siphon off much-needed financial support that has supported the community during these difficult economic times.

Lastly, I encourage you, if you are to move in this direction, that local communities where delivery will occur – even if the actual business and warehouse are not located in that community – be provided full participation in the granting of any license and be able to benefit from the economic value created by its local market.

The Town of Amherst incurs significant expenses due to the presence of thousands of college students within its boundaries. These institutions of higher education do not pay taxes to support these services. To have yet another service provided that does not benefit the Town and that, in fact, would harm our local marijuana retailers, would create undue hardship on our community.

Thank you for considering these comments.

Paul

Paul Bockelman
Town Manager
Town of Amherst
4 Boltwood Avenue
Amherst, Massachusetts 01002
413-259-3002

TownManager@amherstma.gov
www.amherstma.gov
[Open Government to the MAX!](#)

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Matt Giancola

From: Brewer, Alisa <brewera@amherstma.gov>
Sent: Thursday, October 15, 2020 4:58 PM
To: Cannabis Control Commission
Subject: Draft Delivery Regulations

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Tracked To Dynamics 365

The Town of Amherst worked hard to allow for both Medical and Adult use/Recreational uses within our Town, and we are especially interested in all efforts toward Social Equity and Economic Empowerment. And yet we do not have currently allow for Delivery-Only in any zoning district, and we do not allow for warehousing/wholesaling in the manner you have described in the new regulations.

I do not understand how the capital investment is lower when a warehouse needs to be obtained in the appropriate zoning district and there are ongoing operating expenses for said secure warehouse, vs simply needing a space to dispatch especially fitted delivery vehicles from.

Our residents are not going to expect that any marijuana product warehousing is going to occur where other products are allowed to be warehoused. This industry is too new for our residents to treat such warehousing the same as they would for other products.

FYI:

Amherst Zoning Bylaws related to cannabis/marijuana delivery:

12.3103 Marijuana Delivery-Only Retailer: An entity that does not provide a retail location accessible to the public, but is authorized to deliver directly from a marijuana cultivator facility, craft marijuana cultivator cooperative facility, marijuana product manufacturer facility or microbusiness.

12.3105 Marijuana Product Manufacturer: An entity licensed to obtain, manufacture, process and package marijuana and marijuana products, to deliver marijuana and marijuana products to Marijuana Establishments and to transfer marijuana and marijuana products to other Marijuana Establishments, but not to consumers.

12.3112 Medical Marijuana Treatment Center (MMTC): A use operated by an entity registered and approved by the MA Department of Public Health in accordance with 105 CMR 725.000, and pursuant to all other applicable state laws and regulations, also to be known as a Registered Marijuana Dispensary (RMD), that acquires, cultivates, possesses, processes (including development of related products such as food, tinctures, aerosols, oils, or ointments), transfers, transports, sells, distributes, dispenses, or administers marijuana, products containing marijuana, related supplies, or educational materials to registered qualifying patients or their personal caregivers. An MMTC shall explicitly include facilities which cultivate and process medical marijuana, and which may also dispense and deliver medical marijuana and related products.

12.3114 Recreational Marijuana Retailer (RMR): An entity licensed to purchase and transport cannabis or marijuana product from Marijuana Establishments and to sell or otherwise transfer this product to Marijuana Establishments and to consumers. Retailers are prohibited from delivering cannabis or marijuana products to consumers; and from offering cannabis or marijuana products for the purposes of on-site social consumption on the premises of a Marijuana Establishment.

Take care,
Alisa

Alisa V. Brewer
Amherst, MA

--

Please note: although I have listed my affiliations below, I am not speaking on behalf of any of these bodies as we have not voted that I should do so, but rather as someone who has been working on behalf of my community as a part-time municipal elected official since 2002.

Amherst Town Councilor-at-Large, 2018-
Amherst Select Board, 2007-2018
Cannabis Control Commission Social Consumption Working Group, 2019
MMA Fiscal Policy Committee, 2019-
Treasurer's Alcohol Task Force Licensing Process Working Group, 2017
vice president, Hampshire County Select Boards Association (HCSBA) 2016-2018, county designee to
Massachusetts Selectmen's Association (MSA) Executive Committee 2017-2018
Amherst & Amherst-Pelham Regional School Committees, 2002-2007
Amherst Representative Town Meeting, 1999-2018

Alisa V. Brewer
BrewerA@AmherstMA.gov
413-362-2175
Sent from my phone

Matt Giancola

From: Corey Brown <coreyakeem@me.com>
Sent: Tuesday, October 13, 2020 12:43 PM
To: Cannabis Control Commission; info@masscad.org
Subject: Draft Delivery Regulations Public Comment

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Tracked To Dynamics 365

Hi Cannabis Control Commission,

Full Name: Corey Brown
City: Dorchester
State: MA

I'm emailing to comment on the 935 CMR 500.000: Adult Use of Marijuana draft regulations.

I'd like to see that these regulations also include a few important points that will allow the for an equitable cannabis delivery market to be created.

Main Changes:

Repackaging Equality

Add the ability for [wholesale] Delivery Operators to repackage marijuana and marijuana products purchased from cultivators, manufacturers and other Marijuana Establishments as is allowed for Marijuana Retailers. This will create a level playing field for Delivery Operators when purchasing cannabis.

One Driver

Eliminate the requirement for Delivery Operators and Couriers to have two people in the vehicle during operations. Allowing only one driver will further the commission's aim to keep start-up costs low, increase the ability for independent Retailers to effectively partner with Marijuana Couriers, and maintain safety.

You can view more in this 2 to 1 driver safety presentation:

<https://docs.google.com/presentation/d/1pdIRX8A8oDjLCzDSliiazGOjiJlCrzENdX7kBpOK3Yo/edit?usp=sharing>

Prioritize Exclusivity

Open the application portal for Delivery Operator Licenses by Q1 of 2021. We also request that the 3-year Exclusivity window starts at the commence operation date of the first [wholesale] Delivery Operators. This will allow [wholesale] Delivery Operators to not lose time in their exclusivity window due to Marijuana Couriers commencing operations first.

Minor Changes:

Clear & Concise License Names

Change the name of the "Wholesale Delivery Licensee" and "Limited Delivery Licensee" to Marijuana Delivery Operator and Marijuana Courier respectively. The word "wholesale" in this context only creates confusion. The word "Limited" does not clarify anything in regards to its license type. The word "Licensee" (nor "License") does not appear in any other

license type. Providing straightforward and concise names to the license types will create clarity for busy municipal officials and other stakeholders as to what delivery companies are proposing to do in their cities and towns.

Ownership Limitations

Ban 3rd party tech platforms from owning any portion of a delivery company. This will prevent an Amazon type of entity from taking over the delivery market.

We also support maintaining the following elements of the existing draft regulations:

Creation of a wholesale delivery license with the ability to store products overnight The extension of the exclusivity period.

The classification that delivery companies are not defined as retailers.

Ability for delivery companies to white-label.

Thank you!

Matt Giancola

From: Dale Buckman <drdale@greennurse.com>
Sent: Wednesday, October 7, 2020 6:53 PM
To: Cannabis Control Commission
Subject: Strongly oppose new delivery license regulations

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Tracked To Dynamics 365

Dear Commission,

It is my opinion that the idea of delivery licenses being allowed to buy wholesale and sell directly to the public not only undercuts the brick and mortar stores, it undermines the public confidence in the dispensary system. My family and I have worked diligently for many years to save sufficient funds and develop the knowledge it takes to apply for a dispensary license and to be able to operate a retail location. We mortgaged our home, we borrowed from family and friends, and we went without for years through the process. I am the first in my family to get a college degree, the first to become an entrepreneur and the first to employ others. My family took this huge financial risk only to be undercut by individuals with little overhead who will have the ability to undercut brick and mortar prices with no thought to what's best for the communities they serve. We would never have invested so much money into this endeavor had we known the rules were going to be changed before we were even able to open. We have risked everything we have for the American dream and feel the commission is being bullied by advocates in the community to change the rules mid-stream. I won't even sign my name to this as I am in fear of the bullies who so strongly advocate at every CCC meeting then slander the companies who oppose what they want, calling them racist and other slanderous names. At the end of the day the large out-of-state corporations who were allowed to put their stake in the ground in Massachusetts will purchase all of these licenses from equity licensees and will monopolize the market. Please reconsider this very unfair regulation and consider the little guy who has worked so hard for so long with little to gain if these regulations take effect.

My Best,

Medical license Holder
(Adult-use hopeful)

--

Matt Giancola

From: Gina Calitri <gcalitri@commonwealthcare.org>
Sent: Friday, October 9, 2020 1:57 PM
To: Cannabis Control Commission; info@masscad.org
Subject: Draft Delivery Regulations Public Comment

Follow Up Flag: Follow up
Flag Status: Flagged

Hi Cannabis Control Commission,

I am Gina Calitri from Taunton, MA.

I'm emailing to comment on the 935 CMR 500.000: Adult Use of Marijuana draft regulations.

I'd like to see that these regulations also include a few important points that will allow the for an equitable cannabis delivery market to be created.

Main Changes:

Repackaging Equality

Add the ability for [wholesale] Delivery Operators to repackage marijuana and marijuana products purchased from cultivators, manufacturers and other Marijuana Establishments as is allowed for Marijuana Retailers. This will create a level playing field for Delivery Operators when purchasing cannabis.

One Driver

Eliminate the requirement for Delivery Operators and Couriers to have two people in the vehicle during operations. Allowing only one driver will further the commission's aim to keep start-up costs low, increase the ability for independent Retailers to effectively partner with Marijuana Couriers, and maintain safety.

You can view more in this 2 to 1 driver safety presentation:

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The extension of the exclusivity period.

The classification that delivery companies are not defined as retailers.

Ability for delivery companies to white-label.

Thank you!

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Office of the
BOARD OF SELECTMEN



TELEPHONE: (508) 841-8508
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Selectmen@shrewsburyma.gov

TOWN OF SHREWSBURY

Richard D. Carney Municipal Office Building
100 Maple Avenue
Shrewsbury, Massachusetts 01545-5338

October 14, 2020

Massachusetts Cannabis Control Commission
Union Station
2 Washington Square
Worcester, MA 01604

Dear Chair Hoffman, Commissioner Flanagan, Commissioner McBride, Commissioner Title,
and Executive Director Collins:

We are writing to provide comment on the Cannabis Control Commission's ("CCC") proposed amendments to 935 CMR 500.000: *Adult Use of Marijuana*. We are grateful that the Commission continues to explore pathways to social equity within the marijuana industry and we are very supportive of social equity programs. However, in reviewing the proposed changes to the adult-use delivery program, we are concerned about the impact that these amendments would have on the Town of Shrewsbury and other like positioned communities.

Local control was at the heart of every aspect the final laws put into place to regulate this new industry in (insert year). We feel that both the speed at which you are moving and the content of the amendments at minimum jeopardize local control. Clearly the wholesale delivery license is not a part of MGL Chapter 94G and it seems to have an undermining effect on local control. The Town of Shrewsbury spent well over 12 months thoroughly reviewing the options available to it under the law and ultimately crafted local zoning bylaws and criteria that were adopted by Town Meeting. The amendments currently under your consideration for adult-use delivery threaten to eviscerate the local restrictions adopted and reduce the limited financial benefits that were provided to municipalities to offset the costs of this industry. None of these changes could have been reasonably anticipated by the Town when we were establishing our regulatory framework, like so many other municipalities in April of 2018.

Host Community Agreements ensured that the Town was able to establish a relationship with the marijuana businesses that were going to operate within our borders. Now, a seemingly endless number of companies, all of which can operate without any direct oversight of the Town, can enter and conduct business in a fledgling industry that should be closely monitored at the local level. Further, the fact that under the proposed amendments not all marijuana businesses will have to go through the same process means that existing relationships will be strained and agreements will have to be revisited, most-likely to the determinant of the host community.

Under MGL Chapter 94G, specifically through the Town's adoption of the local excise tax option, the Town secured critical new income from all marijuana sales that occurred within our borders. The wholesale delivery model will eliminate the Town's ability to collect excise taxes on all sales occurring within our borders. Further, it is creating a likely-economically advantaged business model that will compete with our existing retail and reduce their competitiveness, thereby harming the Town.

Allowing for more time and collaboration with municipalities will give all interested parties a better opportunity to build upon the model that affords a partnership between state and local authorities. It is this multifaceted and collaborative approach that has allowed the industry to flourish in Massachusetts. We strongly urge you not to create a new provision that bypasses the intent of the legislature and weakens relationships we have all worked so hard to build.

We thank the Commissioners for your continued oversight of this new industry and your commitment to social equity candidates and programs. We look forward to working with you to develop the best delivery model to compliment existing aspects of the industry and local regulatory authority.

Sincerely,

DocuSigned by:

Beth Casavant

82DD2928B64A4A2...
Beth Casavant, Chair

On Behalf of the Board of Selectmen



October 13, 2020

Cannabis Control Commission
Union Station
2 Washington Square
Worcester, MA 01604

RE: Comments on Proposed Delivery Regulations

Dear Commissioners,

I thank you for the opportunity to offer comments on the proposed delivery regulations. I am the Chief Executive Officers of Cypress Tree Management, Inc. ("CTM"). We currently hold a Registered Marijuana Dispensary ("RMD") and a Retail Marijuana Establishment license.

We appreciate the thought and time that has gone into reviewing and offering proposed changes to the delivery regulations in Massachusetts. We support robust and common-sense regulations that will help the legalized medical and adult-use cannabis industries flourish in the Commonwealth while protecting patients and consumers. However, we do offer our comments on the proposed regulatory framework to share the perspective of a licensee who has spent almost 4-years to this point and millions of invested dollars on how delivery could impact us.

The proposed delivery regulations, in particular with the delivery licensee being able to purchase directly from wholesalers to sell to consumers, bypassing the retail stores, creates essentially an Amazon type business. Amazon's negative impact on brick and mortar retail cannot be denied and there is no reason to believe the same would not happen in the Massachusetts cannabis market. Our concerns extend beyond just the direct impact it would have on our business but also for the communities all of the state's licensed retailers have signed host community agreements with. Specifically,

There has been no input from the local municipalities in formulating the delivery license and the concept of permitting them to purchase directly from wholesalers. As a result, communities have not contemplated this type of license or appropriately zoned for it. No thought has been given to local tax implications and subsequent loss of revenue for host communities. Our dispensary is in Newton MA and the lost sales would mean lost revenues to Newton. There are public safety concerns to consider with numerous delivery vehicles driving through municipalities, some of which have imposed a ban on all cannabis commerce within their community borders. Additionally, our agreed upon HCA



fees were meant to offset the impacts of our business on the Newton community. This delivery regulation does not meet the legislative mandate to compensate communities for impacts unless the delivery license is operated out of Newton. Delivery companies set up in other communities delivering in Newton will take away these impact fees from Newton and thereby putting an excess burden on the dispensaries licensed in Newton to cover all of the added community costs. We can all agree communities do have added costs from this new emerging industry, but the delivery license HCA fees do not go to offset the community's costs where the sale occurs. Similar to challenges on sales taxes on internet sales, the proposed delivery license would open the state and local communities to legal challenges on if and where local taxes should be charged and to which local community they should be paid.

The proposal undercuts brick and mortar stores and changes the rules in middle of the game. For our license, we began our licensing process with the City of Newton in 2017 and are only now moving to PPLI. While we have been happy to work within the City of Newton's process as they drafted and approved their adult-use regulations, the resulting delay has come with significant capital costs. To have our store's potential jeopardize by being "Amazoned" before we are even open is a burden we never anticipated when we looked to operate within CCC's regulations over these past four years. We are not a front for a publicly traded multi-state operator with deep pockets providing the required capital but are locally founded and owned and risking our own capital.

We know CCC is well aware of the gamesmanship the large MSOs have been trying to play to squeeze out the local independent operators and we commend all of CCC's efforts to make it a fair playing ground. In particular, we support CCC's effort to award these licenses to social equity and economic empowerment applicants only, but the draft regulations do not prevent the continue gamesmanship of the MSOs. The reality of a capital constrained industry is that those with capital will survive and win. In this case, large corporations will be allowed to own 49% of the delivery company and provide 100% of the financing. Equity partners will be taken out in 3 years and the state will be left with a few large providers dominating the market, which is clearly contrary to the spirit and goal of the legislations. This is no different than the small, local, independent retailer trying to compete with Amazon. There is no debate on who will ultimately win.

Small, legitimate equity entrepreneurs with a couple of delivery vans will be unable to compete with the large corporate financed entities that have scores of delivery vehicles. Looking at all delivery businesses, such as Amazon, UPS, FedEx and even USPS, the winners are the ones who build scale because of the needed efficiencies.

We have already seen this risk first hand. We have been approached by a prospective delivery licensee about securing 10,000 to 15,000 square feet of space in an adjacent property to a site we have proposed to the local municipal for a dispensary. When asked about the size they indicated they are



Cypress Tree Management

planning a 10 to 15 vehicle fleet to start and need the space to garage the vehicles. When asked about their funding they admitted to a warrant deal already in place to sell the company to an MSO after the initial 3-year period and the MSO is fully funding the venture now. Seemingly this fits within the framework of the proposed delivery regulations but clearly not within its spirit.

We also view how the draft regulations being proposed are being put forth in a manner and time that is best described as less than ideal. First, the Commission is not fully appointed with several Commissioner's terms having ended and / or recent departures leaving empty seats. To consider and approve an enormous redesign of the industry with a new license class while not allowing for the thorough review of the impacts this will cause to current and future participants will surely have negative repercussions for this fledgling industry.

Also, the Commission has allowed for an abbreviated comment period for a very large change in the industry. This significant change was not included in the original draft regulations released this year thereby denying the public an opportunity to discuss the proposed change at a public hearing and limited the public to written testimony. There has also been no input from the industry solicited when crafting this proposal.

I thank you for the opportunity to submit these comments. Please do not hesitate to contact me should you have any further questions.

Sincerely,

Victor Chiang
Chief Executive Officer
Cypress Tree Management, Inc.
617-892-8687
victor@westonroots.com

Matt Giancola

From: Christopher <christopher.jacobs03@comcast.net>
Sent: Monday, September 28, 2020 8:17 PM
To: Cannabis Control Commission
Subject: Public comment

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Tracked To Dynamics 365

It is unfair to make wholesale delivery companies load there cars in doors when retail delivery will not have to do that same thing.

There should not be a difference in regulations from wholesale delivery and brick and mortar stores as far as packaging, there should be equality across the licenses of brick and mortar can package then wholesale delivery should be able to as well.

Sent from my iPhone

Matt Giancola

From: Ryan Cohen <ryan@topshelfcannaseurs.com>
Sent: Tuesday, October 13, 2020 12:26 PM
To: Cannabis Control Commission; info@masscad.org
Subject: Draft Delivery Regulations Public Comment

Follow Up Flag: Follow up
Flag Status: Flagged

Hello Cannabis Control Commission,

Full Name: Ryan Cohen
City: Hudson
State: MA

I'm emailing to comment on the 935 CMR 500.000: Adult Use of Marijuana draft regulations.

I'd like to see that these regulations also include a few important points that will allow the for an equitable cannabis delivery market to be created.

Main Changes:

Repackaging Equality

Add the ability for [wholesale] Delivery Operators to repackaging marijuana and marijuana products purchased from cultivators, manufacturers and other Marijuana Establishments as is allowed for Marijuana Retailers. This will create a level playing field for Delivery Operators when purchasing cannabis.

One Driver

Eliminate the requirement for Delivery Operators and Couriers to have two people in the vehicle during operations. Allowing only one driver will further the commission's aim to keep start-up costs low, increase the ability for independent Retailers to effectively partner with Marijuana Couriers, and maintain safety.

You can view more in this 2 to 1 driver safety presentation:

<https://docs.google.com/presentation/d/1pdIRX8A8oDjLCzDSliiazGOjiJICrzENdX7kBpOK3Yo/edit?usp=sharing>

Prioritize Exclusivity

Open the application portal for Delivery Operator Licenses by Q1 of 2021. We also request that the 3-year Exclusivity window starts at the commence operation date of the first [wholesale] Delivery Operators. This will allow [wholesale] Delivery Operators to not lose time in their exclusivity window due to Marijuana Couriers commencing operations first.

Minor Changes:

Clear & Concise License Names

Change the name of the "Wholesale Delivery Licensee" and "Limited Delivery Licensee" to Marijuana Delivery Operator and Marijuana Courier respectively. The word "wholesale" in this context only creates confusion. The word "Limited" does not clarify anything in regards to its license type. The word "Licensee" (nor "License") does not appear in any other license type. Providing straightforward and concise names to the license types will create clarity for busy municipal officials and other stakeholders as to what delivery companies are proposing to do in their cities and towns.

Ownership Limitations

Ban 3rd party tech platforms from owning any portion of a delivery company. This will prevent an Amazon type of entity from taking over the delivery market.

We also support maintaining the following elements of the existing draft regulations:

Creation of a wholesale delivery license with the ability to store products overnight

The extension of the exclusivity period.

The classification that delivery companies are not defined as retailers.

Ability for delivery companies to white-label.

Thank you!

Ryan Cohen

Top Shelf Cannaseurs

Matt Giancola

From: Connolly, Mike - Rep. (HOU) <Mike.Connolly@mahouse.gov>
Sent: Thursday, October 15, 2020 5:00 PM
To: Britte McBride; Jennifer Flanagan; Steven Hoffman; Shaleen Title
Cc: Cannabis Control Commission
Subject: Draft Delivery Regulations

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Tracked To Dynamics 365

To the Cannabis Control Commission:

I am writing in support of the Commission's thoughtful and detailed draft delivery regulations. The new "wholesale" license type exclusively for social equity and economic empowerment is a major step toward fulfilling the intent of the law that we in the legislature enacted for an equitable industry.

In addition, I would like to encourage the Commission to offer similarly innovative benefits to worker-owned businesses and local businesses, including co-ops.

In this time of COVID-19, delivery of adult use cannabis is particularly important, as it offers the potential for better social distancing within the retail sector, and it also offers numerous opportunities for economic empowerment in this time of economic hardship for so many.

Thank you for your dedicated service and attention to this matter.

Yours in service,

Rep. Mike Connolly
26th Middlesex District
Cambridge and Somerville, Massachusetts

Matt Giancola

From: jennifer dudley <jennymasscannabis@gmail.com>
Sent: Sunday, October 11, 2020 7:35 AM
To: Cannabis Control Commission
Subject: Brockton

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Tracked To Dynamics 365

Hello

Thank you for taking the moment to read my email. I'd like to mention the town of Brockton is at it's all time low already, and you need to make it better. My grandparents and father and his entire family is from Brockton. We are the Ciullas and have been Brockton residents for more than 30 years. If you are in fear for delivery drivers make harsher punishments for those who do the crime..Not the ones trying to start a business. Delivery in Brockton would be vital to those who need it and fear leaving their house due to how the city is there. I use to attend the brocktom fair every 4th of July until one year a shooting happened while I was there and people just said " well it's Brockton". Doesn't seem like a delivery problem but it does seem to be a public health problem with how brockton is patrolled. The safety of your people need delivery instead of going to a place and knowing exactly what they are getting and being robbed in the back of "in good health". The unmarked cars will have cameras to record and I understand that's not bullet proof glass but it is a way of protection. Please please please consider delivery for those who can not leave their homes or are more vaulnerable to get robbed leaving the dispensary rather than someone holding up a legal weed delivery service. Maybe live feed deliveries can be an option. We are in 2020 and should be moving forward and not backwards. I would love to see Brockton turn itself around one day. You can start by approving delivery regulations. Thank you for your time.
-Jennifer

Matt Giancola

From: Anthony Dutra <anthony@disruptworks.com>
Sent: Friday, October 9, 2020 7:01 AM
To: Cannabis Control Commission; info@masscad.org
Subject: Delivery Regulations Public Comment

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Tracked To Dynamics 365

Hi Cannabis Control Commission,

Full Name: Anthony Dutra
City: Plainville
State: MA

I'm emailing to comment on the 935 CMR 500.000: Adult Use of Marijuana draft regulations.

I'd like to see that these regulations also include a few important points that will allow for an equitable cannabis delivery market to be created.

Main Changes:

Repackaging Equality

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One Driver

Eliminate the requirement for Delivery Operators and Couriers to have two people in the vehicle during operations. Allowing only one driver will further the commission's aim to keep start-up costs low, increase the ability for independent Retailers to effectively partner with Marijuana Couriers, and maintain safety.

Prioritize Exclusivity

Open the application portal for Delivery Operator Licenses by Q1 of 2021. We also request that the 3-year Exclusivity window starts at the commence operation date of the first [wholesale] Delivery Operators. This will allow [wholesale] Delivery Operators to not lose time in their exclusivity window due to Marijuana Couriers commencing operations first.

Minor Changes:

Clear & Concise License Names

Change the name of the "Wholesale Delivery Licensee" and "Limited Delivery Licensee" to Marijuana Delivery Operator and Marijuana Courier respectively. The word "wholesale" in this context only creates confusion. The word "Limited" does not clarify anything in regards to its license type. The word "Licensee" (nor "License") does not appear in any other license type. Providing straightforward and concise names to the license types will create clarity for busy municipal officials and other stakeholders as to what delivery companies are proposing to do in their cities and towns.

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We also support maintaining the following elements of the existing draft regulations:

Creation of a wholesale delivery license with the ability to store products overnight

The extension of the exclusivity period.

The classification that delivery companies are not defined as retailers.

Ability for delivery companies to white-label.

Thank you!

Matt Giancola

From: Jasmine Edo <jasmine.edo@gmail.com>
Sent: Thursday, October 8, 2020 6:32 PM
To: Cannabis Control Commission; info@masscad.org
Subject: Draft Delivery Regulations Public Comment

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Tracked To Dynamics 365

Hi Cannabis Control Commission,

Jasmine Edo
Revere, MA

I'm emailing to comment on the 935 CMR 500.000: Adult Use of Marijuana draft regulations.

I'd like to see that these regulations also include a few important points that will allow the for an equitable cannabis delivery market to be created.

Main Changes:

Repackaging Equality

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The extension of the exclusivity period.

The classification that delivery companies are not defined as retailers.

Ability for delivery companies to white-label.

Thank you!

Matt Giancola

From: Grant Ellis <ellisgr2@gmail.com>
Sent: Wednesday, October 14, 2020 11:46 AM
To: Cannabis Control Commission
Subject: Draft Delivery Regulations Public Comment 10/14/2020

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Tracked To Dynamics 365

Good morning Commissioners,

I wanted to reach out, once again, to thank all those Commissioners and Staff that have worked so hard throughout the current draft regulatory process related to adult use delivery (and otherwise) in the Commonwealth. Your selfless public service reflects the very best of what this Republic has to offer, and I consider it an honor to be able to play even a small role, through this public comment, in that process.

In that way, the delivery regulations you have proposed, without question, work to further the Commission's mandate, per the law, to engender equity through cannabis licensing in a thoughtful and deliberate manner. Furthermore, those regulations (for both wholesale and limited delivery licenses) were also designed in a way wherein public safety will always be at the forefront of the operational blueprint of those delivery operators. That structure of security requirements and safeguards forms the entrenched foundation upon which the two proposed delivery models are built and will no doubt serve to facilitate market access for equity applicants, and public safety, for decades to come.

That said, while I do support almost all of the proposed draft regulatory changes (including the creation of the wholesale delivery format and the expanded equity exclusivity period), there are a few amendments and additions to those proposed draft regulations, covered below, that I feel worthy of consideration by the Commission. Those areas are thus;

1. Allow wholesale delivery operators the ability to repackage cannabis before sale
2. Create a structure to avoid a single third party technology platform from owning more than 3 delivery operators (with ownership defined as 0.1% ownership/control of the company or more)
3. Allow delivery companies to operate with only a single driver if alternate enhanced security requirements can be met.
4. The roll out of the wholesale delivery license should be expedited to ensure that license is available simultaneously with limited delivery licenses.
 - I. If the wholesale delivery license rolls out after the limited delivery license, then the equity priority period should "reset" when the first WDL license is issued
5. The name of both the "wholesale delivery license" and the "limited delivery license" should be changed;
 - I. For "wholesale delivery license" I favor "Marijuana Delivery Operator" and for "limited delivery license" I favor "Home Delivery Courier License"

I would also like to go on record to note that I find it shameful that some corporate cannabis operators (and their allies) are attempting to sabotage the roll out of the wholesale delivery license because it threatens their profits. For such moneyed interests to attempt to undermine equity and the fair market structure for delivery that you have created as a body -- that is wholly in line with the license types written into the law as permissible for the CCC to create -- simply to protect their bottom lines is something I find to abhorrent.

As one further point of emphasis, I also think it crucial that the CCC take steps to create some kind of regulatory enforcement related to attempts to violate not only license caps but also those who attempt to acquire an impermissible stake in an SE or EE company seeking a delivery license during the priority period (or to obtain any other equity based benefit during the application process). While I struggle to think of regulatory language to accomplish that end, I have serious concerns if punishments exist only for "successful" attempts to violate license limits or equity ownership limits during the delivery priority periods. As such, I encourage the Commission to adopt language that would address the behavior of attempting to violate those limits and provide appropriate regulatory remedy as the Commission deems suitable.

As to the 5 specific subject areas of the delivery regulations and the changes I suggest, I have outlined those proposals below (followed by specific changes to the draft regulatory text related to those suggestions);

1. Repackaging Equality

Add the ability for [wholesale] Delivery Operators to repackage marijuana and marijuana products purchased from cultivators, manufacturers and other Marijuana Establishments as is allowed for Marijuana Retailers. This will create a level playing field for Delivery Operators when purchasing Cannabis.

2. Ownership Limitations

Prevent 3rd party technology platforms from having ownership of [more than 3] any delivery operators, defining ownership as .01% or greater instead of the current 10% threshold just for these 3rd Party Platforms, which should be considered special cases. This will prevent an Amazon type of entity from taking over the delivery market through anti-competitive practices.

3. One Driver

Eliminate the requirement for Delivery Operators and Couriers to have two employees in the vehicle during operations. This will further the Commission's aim to keep start-up costs low, reduce ongoing operating expenses, and increase the ability for Independent Retailers to effectively partner with Marijuana Couriers, while maintaining safety.

4. Prioritize Exclusivity

Open the application portal for Delivery Operator Licenses by Q1 of 2021. I also suggest that the 3-year Exclusivity window starts at the commence operation date of the first [Wholesale] Delivery Operators. This will, at least, allow Delivery Operators to not

lose time in their exclusivity window due to Marijuana Couriers commencing operations first.

5. Clear & Concise License Names

Change the names “Wholesale Delivery Licensee” to eliminate the word “wholesale.” Commissioner Title was on target when she explained the definition of wholesale and the confusion this license name will cause. “Wholesale” became a rallying cry for operators who want to buy and inventory products from wholesale sources to sell and deliver directly to Consumers. The word “Limited” does not clarify anything in regards to its license type. The word “Licensee” (or “License”) does not appear in any other license type.

I suggest something more descriptive and fitting:

- Marijuana Delivery Operator
-

I suggest the “limited” delivery licenses also have a more intuitive name:

- Home Delivery Courier

Providing straightforward and concise names to the license types will create clarity for busy municipal officials and other stakeholders as to what licensees are proposing to do in their cities and towns.

A draft of proposed regulatory language that I helped to develop is included below;

**PROPOSED REGULATORY LANGUAGE (AS REQUESTED BY THE COMMISSION
IN THE “NOTICE OF PUBLIC COMMENT”
9/28/2**

Repackaging Equality

935 CMR 500.002 Definitions [Note: this revision is designed to provide a definition of the Marijuana Delivery Operator as compared to Marijuana Retailer]

Marijuana ~~Wholesale~~ Delivery ~~License Operator~~ or ~~Wholesale~~ Delivery ~~Licensee~~ is an entity ~~authorized~~ ~~licensed~~ to ~~Wholesale and Warehouse Finished~~ purchase and transport Marijuana or Marijuana Products ~~acquired from a Marijuana Cultivator, Marijuana Product Manufacturer, Microbusiness or Craft Marijuana Cooperative, from~~ Establishments and sell and deliver ~~Finished~~ Marijuana and Marijuana Products, Accessories and Marijuana Branded Goods directly to Consumers. A Marijuana ~~Wholesale~~ Delivery ~~License Operator~~ shall not be considered to be a Retailer under 935 CMR 500.002: Definitions or 935 CMR 500.050: Marijuana Retailer and shall be subject to 935 CMR 500.050 (1)(b): Control Limitations.

935 CMR 500.050 Marijuana Establishments

(11) Marijuana ~~Wholesale~~ Delivery ~~Licensee~~ Operator

~~(b)(a)~~ A Marijuana ~~Wholesale~~ Delivery ~~License Operator~~ may purchase, Repackage, and transport Marijuana Products ~~acquired from a Marijuana Cultivator, Marijuana Product Manufacturer, Microbusiness or Craft Marijuana Cooperative, from~~ Marijuana Establishments and sell and deliver ~~Finished~~ Marijuana and Marijuana Products, Marijuana Accessories and Marijuana Branded Goods directly to Consumers. A Marijuana ~~Wholesale~~ Delivery ~~Licensee~~ Operator shall not own or have a controlling interest in a Cultivation, Product Manufacturer, Consumption Establishment, Research, Transportation or Retailer and shall be subject to the limitations stated in 935 CMR 500.050(11)(e).

One Driver

935 CMR 500.145 Additional Operational Requirements for Delivery of Marijuana Products, Marijuana Accessories, and Marijuana Establishment Branded Goods to Consumers and as Permitted, to Patients or Caregivers.

(6) Vehicle and Transport Requirements for Home Delivery.

~~(e) A Delivery only Delivery Licensee or a Marijuana Establishment Licensee shall ensure that all vehicles used for deliveries are staffed with a minimum of one Marijuana Establishment Agent. At least one Marijuana Establishment Agent shall be present in the vehicle at all times.~~

Prioritize Exclusivity (i.e. Exclusivity period for both delivery license solely via Commence Operations of the first (wholesale) Delivery Operator 500.050: Marijuana Establishments

(10) ~~Delivery only~~Limited Delivery Licensees **Marijuana Courier**.

~~(a)~~(b) A ~~Delivery only~~Limited Delivery Licensees **Marijuana Courier** sha exclusive basis to businesses controlled by and with majority ownership c Economic Empowerment Priority Applicants or Social Equity Program Part of 36~~24~~ months from the date the first ~~Delivery only~~ Delivery License Oper. to commence operations, provided, however, that the Commission may vo ~~for a Delivery License during the exclusivity period pursuant to 935 CMR 51 decide~~ to extend that period following a determination that the goal of th promote and encourage full participation in the regulated Marijuana indust communities that have previously been disproportionately harmed by Mari enforcement of the law has not been met.

*[The following subsection of 500.050 (10) can be entirely omitted since for **Marijuana Couriers** begins with the first **Delivery Operator** commencing this language, which is now also found in 500.050 (11), rightfully belongs th included in the Courier (10) subsection.]*

~~1. The Commission shall develop criteria for evaluating whether th exclusivity period are met, which shall include, but not be limited to~~

~~a. Overall rates of participation in the regulated marijuana ir from communities that have previously been disproportion; marijuana prohibition and enforcement of the law;~~

~~b. Overall rates of participation in the regulated Marijuana ir color, particularly Black, African American, Latinx, Asian/Pa Indigenous people;~~

~~c. Licenses granted to businesses with majority ownership Economic Empowerment Priority Applicants and Social Eq ProgramParticipants;~~

~~d. Number of registered agents who are Social Equity Progr~~

~~e. Number of Delivery onlyDelivery Licensees in operation a performance relative to other Marijuana Establishments;~~

~~f. Financial feasibility of continued participation in the regul industry by communities that have previously been disprop; Marijuana prohibition and enforcement of the law if exclusi~~

~~g. Any other information the Commission determines relev~~

~~2. The Commission shall collect and report on data measuring the the exclusivity period. The Commission shall begin evaluating whe~~

~~4. If data collected by the Commission demonstrates progress to objectives of the exclusivity period as set forth in 935 CMR 500.0 demand for consumer delivery is likely to exceed the supply that businesses that meet the exclusivity requirements during the exclusivity period, the Commission may vote during the exclusivity period to allow the following businesses to own Marijuana Delivery Licenses:-~~

~~a. Worker-owned cooperatives organized to operate consistent with the Cooperative Principles established by the International Cooperative Union in 1995; or a~~

~~b. Massachusetts Minority Business Enterprises (MBE), Veteran Business Enterprises (WBE), and Veteran Business Enterprises (VBE) with certification from the Massachusetts Operational Service~~

Simple, clear names - Marijuana Delivery Operator and Marijuana Limited Delivery Licensee. Substitute **Marijuana Courier** everywhere that the regulations currently say Limited Delivery Licensee.

Substitute **Courier** everywhere that the regulations currently say Limited Delivery Licensee. (Approximately 53 instances for the above two instructions.)

Substitute **Marijuana Delivery Operator** everywhere that the regulations currently say Marijuana Wholesale Delivery License (or Licensee).

Substitute **Delivery Operator** everywhere that the regulations currently say Limited Delivery Licensee.

(Approximately 122 instances for the above two instructions.)

Ownership Limitations

935 CMR 500.050: Marijuana Establishments

(1) General Requirements

(b) Control Limitations

(6) **Third Party Technology companies may not have any ownership interest in Marijuana Delivery Operators. Third Party Technology companies may not have any ownership interest in Marijuana Couriers.**

Superfluous

The following section of 500.050 (11) is superfluous, as it is entirely within the 500.110 Security Requirements regulations which apply to all Marijuana Establishments. It is confusing to introduce the idea of a warehouse into the regulations when it comes to Delivery Operators, when the equivalent language does not exist. (We don't talk about Retailers needing a warehouse separately from the

I am grateful to the Commission for the opportunity to submit this public comment today, and I welcome any and all follow up questions should Commissioners or Staff feel so inclined. The Commission has made an important step forward as to the current draft regulations for adult use delivery, in particular as to the creation of the wholesale delivery model and an extended equity priority period for delivery licenses, and I feel the rapid implementation of those regulations will serve to advance equity in the short and long term within the Commonwealth's cannabis

licensing process. There is without question more work to be done, and I also encourage the Commission to continue to support S.2650/the social equity loan fund, the HCA fix bill (H. 4398), and a mandated structure for municipal equity going forward.

With my sincere regards and thanks,

Grant Ellis

--

Grant Ellis

Matt Giancola

From: Grant Ellis <ellisgr2@gmail.com>
Sent: Thursday, October 15, 2020 4:45 PM
To: Cannabis Control Commission
Subject: Re: Draft Delivery Regulations Public Comment 10/14/2020

Follow Up Flag: Follow up
Flag Status: Flagged

Commissioners,

I am quickly amending my public comment to note that I oppose any anti competitive proposals that would seek to cap the number of cars that a delivery license could own.

Furthermore, if such a cap is considered in the future, it should be considered for all delivery licenses (limited delivery and wholesale delivery license caps).

With my regards,
Grant Ellis

On Wed, Oct 14, 2020 at 11:45 AM Grant Ellis <ellisgr2@gmail.com> wrote:

Good morning Commissioners,

I wanted to reach out, once again, to thank all those Commissioners and Staff that have worked so hard throughout the current draft regulatory process related to adult use delivery (and otherwise) in the Commonwealth. Your selfless public service reflects the very best of what this Republic has to offer, and I consider it an honor to be able to play even a small role, through this public comment, in that process.

In that way, the delivery regulations you have proposed, without question, work to further the Commission's mandate, per the law, to engender equity through cannabis licensing in a thoughtful and deliberate manner. Furthermore, those regulations (for both wholesale and limited delivery licenses) were also designed in a way wherein public safety will always be at the forefront of the operational blueprint of those delivery operators. That structure of security requirements and safeguards forms the entrenched foundation upon which the two proposed delivery models are built and will no doubt serve to facilitate market access for equity applicants, and public safety, for decades to come.

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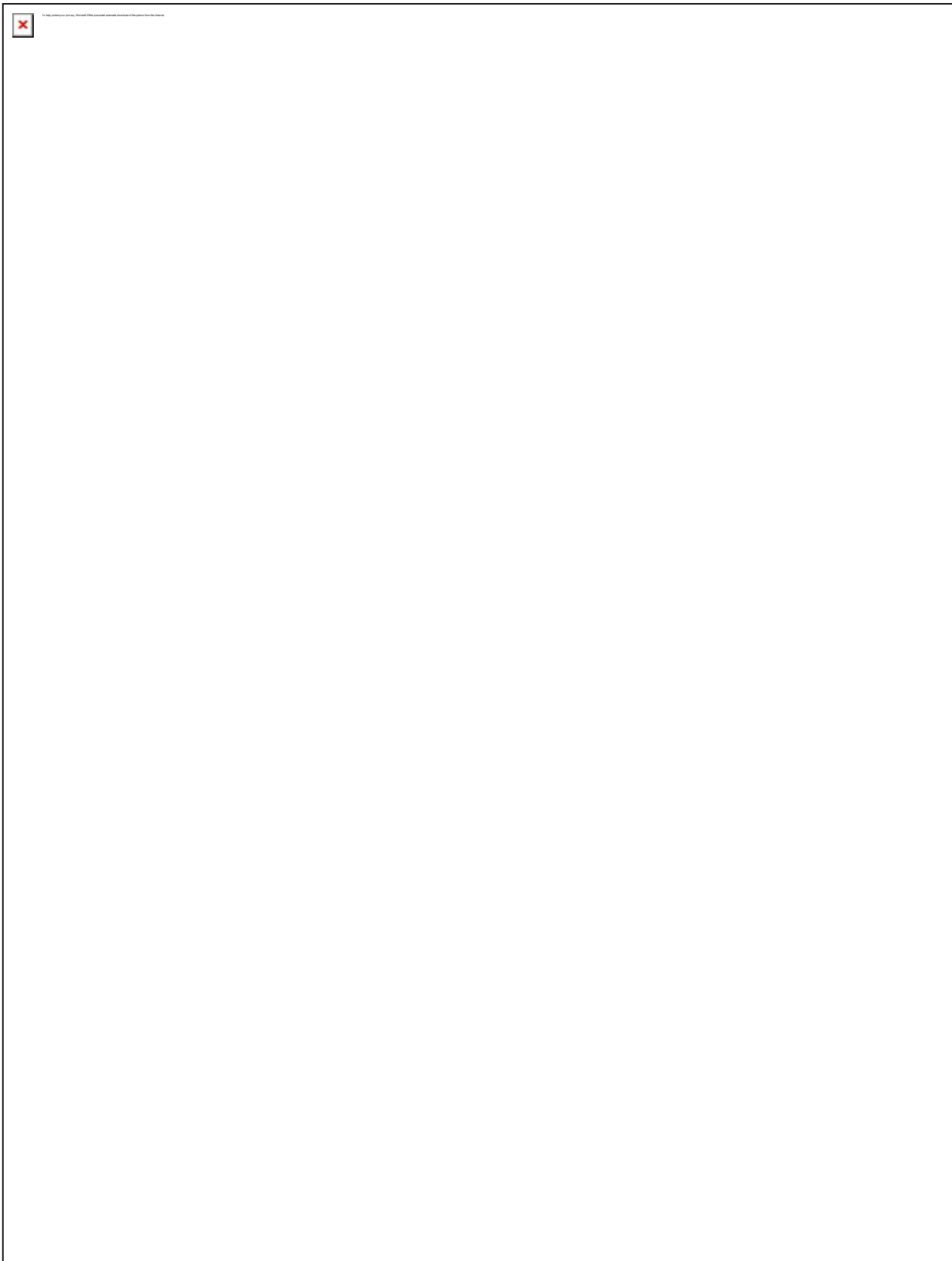
A draft of proposed regulatory language that I helped to develop is included below;

PROPOSED REGULATORY LANGUAGE (AS REQUESTED BY THE COMMISSION IN THE "NOTICE OF PUBLIC COMMENT")

9/28/2







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With my sincere regards and thanks,

Grant Ellis

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Grant Ellis

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Grant Ellis

Matt Giancola

From: E. Philip Brown <mrbrownhhs@gmail.com>
Sent: Thursday, October 15, 2020 1:49 PM
To: Cannabis Control Commission
Subject: CCC Delivery Regulations

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Tracked To Dynamics 365

To whom it may concern:

My partners and I are very upset about the new CCC delivery regulations. We have spent a lot of time and money over the past two years to get our retail provisional license. We believe it is a bad idea to now let delivery only businesses be able to sell cannabis after all we have gone through.

There are many other reasons why this is a bad idea and they are as follows:

- The Commission is a lame duck board (as several Commissioner's terms are ending) proposing an enormous redesign of the industry with a new license class while not allowing for the thorough review of the impacts this will cause to current and future participants. The haste in which the Commission is acting will have severely negative repercussions for this industry still in its infancy.
- The enabling legislation does not provide for this type of license. • There has been no input from the municipalities in formulating this concept.
- The communities never contemplated this type of license or appropriately zoned for it. • No thought has been given to local tax implications and subsequent loss of revenue for host communities.
- Significant public safety concerns arise with numerous vehicles crisscrossing municipalities, some of which have imposed a ban on all cannabis commerce within its borders.
- The proposal undercuts bricks and mortar stores and changes the rules in the middle of the game, particularly after many small companies have invested significant resources to comply with the current framework.
- Large corporations will be allowed to own 49% of the delivery company and provide 100% of the financing as debt. Equity partners will be taken out 3 years and the state will be left with a few large providers dominating the market, which is seemingly contrary to the goal of the legislation.
- Small, legitimate equity entrepreneurs with a couple of delivery vans will be unable to compete and will be wiped out by the large corporate financed entities that have scores of vehicles.
- There has been no input from the industry solicited when crafting this proposal.
- The Commission has allowed for an abbreviated comment period for a very large change in the industry. This significant change was not included in the original draft regulations released this year thereby denying the public an opportunity to discuss the proposed change at a public hearing and limited the public to written testimony.

- HCA's are designed by statute to offset impacts of cannabis businesses. This regulation does not meet the legislative mandate to compensate communities for impacts.

We ask you to put these proposed regulations on hold until all current retail cannabis store applications have been processed. The legislature wanted minorities to have priority in obtaining cannabis store licenses. That has not happened due to the very high costs of getting into the business. This legislation makes it even more difficult for minority owned retail stores to achieve a decent return on their investments.

Please contact me at your earliest convenience if you have any questions regarding the above.

Best regards,

E. Philip Brown
Vice President
Mellow Fellows LLC

P: 978 387-7877

E: epbrown@mellowfellows.biz

Matt Giancola

From: Justin Eppley <justin@terpenejourney.com>
Sent: Thursday, October 15, 2020 4:58 PM
To: Cannabis Control Commission
Subject: Public Comment: Draft Delivery Regulations

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Thank you for the opportunity to share some thoughts on the draft delivery regulations. Our company is a Social Equity Marijuana Retailer soon to be located in Swampscott and our HCA provides us municipal approval to operate a delivery business from our location. The aim of our comments is to protect the long-term viability of SE/EE Wholesale Delivery companies as well as SE/EE Marijuana Retailers who have already made significant financial commitments with the understanding that there would be some protection from an unlimited proliferation of competing retail businesses (e.g. like in Oklahoma).

Institute a cap on the number of Wholesale Delivery companies permitted to operate

- State law explicitly caps the number of Marijuana Retailers as a % of package stores and our understanding is that there is no cap on the number of Wholesale Delivery operators. While there is some protection for both delivery companies and retailers for the first ~3 years, if there is an unlimited amount of wholesale delivery companies permitted to operate, the MA market will be flooded with out of state (and country) investments that will render our operations unprofitable. As soon as the 3 years exclusivity expires, well-funded companies will flock to MA and strategically underprice SE/EE operators until they are pushed out of the market, at which points the large companies will be able to unfairly increase prices with decreased competition. In the short term unlimited licenses may seem like a “fair market approach”, but in actuality over the long term the market will function more like an oligopoly or monopoly. Capping the number of Wholesale Delivery operators in the state will directly benefit any SE/EE operators who pursue Wholesale Delivery over the next ~3 years as well as SE/EE Marijuana Retailers who have already have cashed out their lives savings to open a retail store. There are many upsides to the Wholesale Delivery model but it's unquestionable that it's less attractive to be a Marijuana Retailer with the new model, especially now that more consumers are preferring delivery due to COVID-19. The thought of unlimited Wholesale Delivery companies is scary.

Allow existing SE/EE Marijuana Retailers to apply for a delivery endorsement

- Please allow SE/EE Marijuana Retailers to apply for the Delivery Endorsement from the Commission to further grow these businesses and fairly compete going forward. Doing so would eliminate the need for existing SE and EE businesses to negotiate another potentially costly host community agreement and complete the full licensing process that would be required to if applying for a Limited Delivery License from their existing retail operation. A more streamlined process created by the delivery endorsement would also provide the CCC with efficiencies and eliminate having to do some of the same work/review twice. If other Marijuana Retailers are like us, we negotiated the existing HCA with the understanding that eventually delivery would be part of our business, and it's daunting to think that this aspect of our business could only be realized by going back to the negotiating table.

Make it straight forward for Marijuana Retailers to delivery from their existing facility

- Please be mindful of regulations that make it impossible for existing Marijuana Retailers to deliver from their facility, especially considering many retailers operate from traditional retail centers/plazas. For example, a requirement to have a sallyport for loading may be feasible for a Wholesale Delivery company but realistically unfeasible for any retailer operating from a traditional plaza. Security of course is paramount, however, delivering to customers from a Marijuana Retailer isn't any more dangerous than receiving deliveries or completing curbside transactions. It's been challenging to keep abreast of all the delivery changes and forecasting their implications, so our example may not be perfect, but the broader point is to please consider that SE/EE Marijuana Retailers would like to safely deliver from their facilities and sometimes requirements that may make sense for other styles of delivery are onerous for the Marijuana Retailer seeking to delivery.

Thank you for your time and consideration.

Regards,

Justin

Chief Operating Officer

Terpene Journey, LLC

Swampscott, MA

724-549-8008

Matt Giancola

From: Ethan Felleman <ethanbostonbroker@gmail.com>
Sent: Thursday, October 15, 2020 3:33 PM
To: Cannabis Control Commission
Subject: Extended deliver hours

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Hi there this is Ethan Felleman a social equity applicant. I am voicing my thoughts as a public comment for the delivery hours to be extended.

Thanks
617.953.5883

Sent from my iPhone

Matt Giancola

From: Christopher Fevry <chris@yourgreenpackage.com>
Sent: Wednesday, October 7, 2020 10:35 AM
To: Britte McBride; Steven Hoffman; Jennifer Flanagan; Shaleen Title
Cc: Cannabis Control Commission; Aaron Goines; Nike John; dhinton.us@gmail.com; Devin Alexander; ellisgr2@gmail.com; Janelle Goines; Morriss Partee
Subject: MCAD Petition

Follow Up Flag: Follow up
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Hi Commissioner McBride, Title, Flangan, and Chairman Hoffman,

Last night [MCAD launched a petition](#) in support of creating an equitable delivery Massachusetts Delivery Market.

In the first 4 hours the petition attracted 100 signatures, across social equity SE/EE members, Commonwealth cannabis users, and delivery applicants.

We'll be following up with our public comment that elaborate on the need for:

1. Repackaging Equality
2. 1 Driver instead of 2
3. Prioritizing the exclusivity of the WDLs
4. Creating a Clear License Name
5. Banning 3rd Party Tech Platforms.

MCAD strongly believes these changes will help create an equitable, competitive, and safe cannabis delivery market.

Thank you for all your hard work and patience.

Sincerely,

Christopher Fevry
President of The Massachusetts Cannabis Association for Delivery

Matt Giancola

From: Christopher Fevry <chris@yourgreenpackage.com>
Sent: Thursday, October 15, 2020 7:57 AM
To: Cannabis Control Commission
Subject: 2 to 1 Driver Public Comment & Presentation

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Hi Commission,

I wanted to share this presentation on 2 to 1 driver safety.

I believe MA delivery operators will still be safe even if there's one driver in the vehicle.

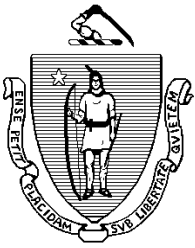
As you can see in other states that do have 1 driver see a negligible impact on safety.

https://docs.google.com/presentation/d/1pdIRX8A8oDjLCzDSliiazGOjiJlCrzENdX7kBpOK3Yo/edit#slide=id.g9ffbf91570_0_18

Please, consider lowering the driver minimum from 2 to 1 or at-least creating a provision that will enable people to get waivers if they meet certain criteria.

--

Christopher Fevry
President of [The Massachusetts Cannabis Association for Delivery](#) (MCAD)
Co-Founder of Your Green Package
143 Billings Street Quincy MA, 02302
401-261-2950



THE COMMONWEALTH OF MASSACHUSETTS
HOUSE OF REPRESENTATIVES
STATE HOUSE, BOSTON 02133-1020

Paul K. Frost
REPRESENTATIVE
SEVENTH WORCESTER DISTRICT

COMMITTEES ON:
Rules
Election Laws

State House Room 542
Telephone: (617) 722-2489
Fax: (617) 722-2390

October 15, 2020

Massachusetts Cannabis Control Commission
Union Station
2 Washington Square
Worcester, MA 01604

Dear Members of the Cannabis Control Commission:

It has come to my attention that you are accepting testimony regarding a proposal to allow marijuana wholesalers to sell and deliver directly to customers, bypassing licensed retailers. As a State Representative and member of the Joint Committee on Cannabis Policy, I wish to take this opportunity to object to such a proposal.

As you are well aware, this proposal before you is being opposed by public safety officials, municipalities and retail marijuana stores. All of their concerns are valid.

Retail marijuana stores and communities worked out local agreements to open which would be undermined by this. These stores invested large amounts of capital to meet all the regulations and licensing requirements required under law and by all of you. The measure being considered would pull the rug out from underneath them. It is simply unfair. There are also many public safety concerns to address as well.

Therefore I respectfully request you do not proceed with this proposal. We have a system, though still relatively new, and we should allow it to work as intended and keep sales to the general public at the approved and licensed local retail stores.

Thank you for your time and attention to this letter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Paul K. Frost".

Paul K. Frost
State Representative
Asst. House Minority Whip

Matt Giancola

From: hg@mjsmkt.com
Sent: Thursday, October 15, 2020 3:00 PM
To: Cannabis Control Commission
Subject: Cannabis Operator Concerns Regarding Proposed Deliver Regulations

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Categories: Tracked To Dynamics 365

Dir Sir or Madam,

My name is Heath Gaffney and I am the President and co-founder of MJ's Market, Inc. at 13 Centennial Dr. Grafton, MA. We are driving to become Grafton's first cannabis facility in early 2021 beginning with our retail store, then to follow with a small grow facility, manufacturing, then ideally a medical dispensary.

I am writing you today as I am especially concerned with the CCC's proposed delivery regulations! As much as we are in favor, approve, and applaud your delivery regulations for retail stores to the consumer. We are equally as concerned on regulations allowing delivery to bypass the retail stores. This will undoubtedly have an extreme effect on our ability to launch a viable business, as I am certain it will for many others. The proposed delivery regulations will set us back years or worse cause us to be insolvent shortly after we open defeating the purpose of our enterprise to benefit the town of Grafton and the local employees we intend to hire. The competition that we already face by groups with west coast, Colorado and Canadian backing is already daunting. We are a grassroots group from the Merrimack River Valley. To be further limited in our success by this new wildcard of competition goes directly against the regulatory framework the CCC designed to benefit our Host Communities.

I agree and applaud your work efforts to the benefit of home delivery and MJ's Market intends to work with Economic Empowerment delivery license holders as a value-added service for our retail customers. This value added fee service is exactly what and how delivery should be and nothing more. This model is what MJ's Market and we welcome the partnerships with Economic Empower retail delivery license holders to source premium local cannabis from our retail facility for up-charged delivery fee. I would be happy to discuss the particular impacts of concern by any means with the Commission. I can be reached via phone/text or email at any time per the contact info below.

Best Regards,

Heath Gaffney



Heath Gaffney
888 446 2795 x101
hg@mjsmkt.com

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bf@mjsmkt.com

603.325.8091

MJ's Market Inc.

13 Centennial Drive

North Grafton, MA 01536

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Matt Giancola

From: Chafic George <chaficg@cultivatemass.com>
Sent: Thursday, October 15, 2020 4:41 PM
To: Cannabis Control Commission
Subject: Draft Delivery Regulations

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Tracked To Dynamics 365

To Whom It May Concern,

Below please find comments regarding the "Draft Delivery Regulations".

In Reference to 500.050 (10)(a)

Allowing Wholesale Delivery Licenses to purchase from a Marijuana Cultivator, Marijuana Product Manufacturer, Microbusiness or Craft Marijuana Cooperative and sell directly to Consumers will enable these license holders to undercut traditional retail locations and drive the overall price of the market down. This decrease in overall sales price will directly negatively impact traditional brick and mortar license holders ability to generate revenue required to cover operational expenses. It further puts the State at risk of losing out on expected tax revenue.

Permitting Marijuana Wholesale Delivery Licensee's to hold controlling interest in a Cultivation, Product Manufacturing, Social Consumption Establishment, Research, Transportation or Retail license further reduces the Wholesale Delivery Licensees overall operating costs enabling them to offer a price point that is unrealistic for traditional retail license holders to offer.

In Reference to 500.050 (10)(b)

By allowing Wholesale Delivery Licenses to warehouse finished Marijuana Products customers and the community could be at risk of receiving tainted product that was not properly stored by the Wholesale Delivery Licensees. Any failure in proper storage procedures will result in sub-par/tainted product reaching customers which will not only directly harm and place at risk the health of the customer but will also directly negatively impact other license holders branding and company reputation.

Furthermore, these stand alone warehouses are ideal target sites for potential diversion of product and/or criminal activity. There is also concern regarding the States' ability to effectively govern such a large program expansion. This license creates vast opportunity for diversion and black market sales.

In the event of a product recall, which license holder is responsible?

In Reference to 500.050 (10)(c)

Granting exclusivity to Wholesale Delivery License holders for a minimum period of 36 months to Economic Empowerment Priority Applicants places undue hardship on other license holders and creates a monopoly. This monopoly could/will easily enable a small group of financially well backed license holders to corner the market and effectively put brick and mortar locations out of business.

In Reference to 500.145(5)

Home delivery is in essence a reverse curbside pickup that does not require the same stringent age verification. Prior to completing a curbside pickup order, the retail agent must confirm that everyone in the vehicle is 21 years of age or older. However, when conducting a home delivery, the delivery agent is not required to confirm that everyone in the residence at the time is 21 years of age or older. This double standard places undue hardship on retail licensees and limits their ability to conduct sales while in no way hindering Wholesale Delivery sales.

Overall Wholesale Delivery License Comments

Several potential Wholesale Delivery License holders have reached out to discuss terms already. Each are looking for unrealistic terms that delay a traditional retail licensee from receiving compensation for their products and increasing the risk of not being able to cover operational expenses in a timely manner. There is also serious concern regarding the lack of attention to detail in reference to compliance aspects of the wholesale delivery license.

Thank you,
Chafic George

On behalf of :
Cultivate Holdings, LLC
1764 Main Street
Leicester, MA 01524

--

**Chafic George J.D., MBA | Director of Compliance
Cultivate Holdings, LLC.**

[1764 Main Street](#) | [Leicester, MA 01524](#)

C [401.573.7156](#) | P [508.219.6052](#)



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Matt Giancola

From: Kevin B. Gilnack <kevin.gilnack@gmail.com>
Sent: Friday, October 2, 2020 2:23 PM
To: Cannabis Control Commission
Subject: Draft Delivery Regulations

Categories: Tracked To Dynamics 365

Dear Members of the Cannabis Control Commission,

Thank you so much for your thoughtful development of these draft delivery regulations; they represent a significant step forward in the advancement of the industry and of the goals of equity mandated by the voters, the Legislature, and your regulations.

The Commission's proposal to increase the exclusivity period from two years to three is a step in the right direction, and I appreciate you doing so. However, I urge you to give the applicants the time they need to establish an industry and give yourselves the time you need to gather meaningful data. Given the lengthy amount of time it can take to secure financing, property, local approval, and navigate the application process, it's unlikely the CCC will have anywhere near enough meaningful data to make a further determination after just three years.

When we're discussing goals related to undoing the economic harms of the War on Drugs, we should be talking in generations, not years. But **when the exclusivity period ends, it should be because the CCC has demonstrated that its goals *have* been met.** That the current draft asks future commissioners and staff to prove that the goals *have not* been met looks like one of the subtle systemic ways that institutions default against equity and I hope you reconsider this language. The CCC should demonstrate why the period should end rather than putting the onus on future commissioners and staff to prove it hasn't been.

You have taken an ambitious, iterative, innovative, and responsive approach to the goals and challenges you have been faced with -- taking all necessary time while trying not to waste any. I implore you to apply that same philosophy to achieving your equity goals. Don't let equity be the one goal you rush with an unnecessary timer and test to keep going.

As you likely know, the first to market are often those with access to the best resources. By starting the period of exclusivity when the first Delivery Licensee receives a notice to commence operations, the CCC could be limiting the vast majority of eventual licensees from the intended economic benefits intended by the exclusivity period. **The CCC should not begin the process of winding down the exclusivity period until it has ensured efficient application processing and developed sufficient market participation.** To do so, the draft regulations should be updated to change when the exclusivity window begins.

I urge you to change 935 CMR 500.050(9)(b) and 500.050(10)(c) as follows:

... Licenses shall be limited on an exclusive basis to businesses controlled by and with majority ownership comprised of Economic Empowerment Priority Applicants or Social Equity Program Participants for a period of **at least 36 60** months from the date the **first Delivery Licensee receives commission has has issued a notice to commence operations to 50% of the number of applications for Delivery Licenses received in the first year Delivery License applications were**

available, provided, however, that the Commission may vote to decide to ~~end~~ ~~extend~~ that period following a determination that the goal of the exclusivity period to promote and encourage full participation in the regulated Marijuana industry by people from communities that have previously been disproportionately harmed by Marijuana prohibition and enforcement of the law has ~~not~~ been met; and the Commission may vote to expand eligibility for Delivery Licenses during the exclusivity period pursuant to 935 CMR 500.050(10)(b)4.

In the event you do not adopt all of the changes above, I hope that you will at least consider giving yourselves and the industry at least five years to make a meaningful start.

Additionally, 935 CMR 500.050(9)(b)2 and 500.050(10)(c)(2) require the reporting on the Commission to "collect and report on data measuring the criteria throughout the exclusivity period's progress toward its goals and **that data -- and all key metrics related to equity -- should be easily accessible on the CCC's website.** As you revisit the language around these sections through this iterative process, I hope that you'll strengthen this reporting provision to bring the transparency and accountability that applicants and the public deserve.

I hope you will adopt the following change to sections 935 CMR 500.050(9)(b)2 and 500.050(10)(c)(2):

The Commission shall collect and report on data measuring the criteria throughout the exclusivity period. **Those metrics, and other relevant equity-related data determined relevant by staff or the Commission, shall be published on an easily accessible dashboard on the Commission's website and updated no less than monthly.** The Commission shall begin evaluating whether the goals of the exclusivity period have been met at least eight months before the end of the [exclusivity period].

Furthermore, **in the interest of consistency, simplicity, and efficiency, I urge you to consolidate 935 CMR 500.050(9)(b) and 500.050(10)(c) into a single section as 935 CMR 500.050(XX)** starting with the following language: "Limited* and Wholesale* Delivery Licenses shall be limited..." A singular section detailing the exclusivity and evaluation provisions of these sections could follow after section 10 as 10.5 or as 11 if "Marijuana Research Facility Licensee" is renumbered to 12. Alternatively, it could be inserted as section 12, which would avoid changing 11 but create a less intuitive ordering. (*Note that "Limited" and "Wholesale" reflect the current language, which I hope will ultimately be a placeholder for more useful and descriptive designations for those licenses.)

"Limited Delivery License" and "Wholesale Delivery License" are **confusing and inconsistent labels for these licenses. To best serve the public as well as consumers, patients, applicants, municipalities, and other stakeholders, it is important to use clear and consistent language whenever possible.** The CCC has so far done so with definitions like Marijuana Cultivator, Marijuana Microbusiness, Marijuana Retailer, etc.

While I understand the evolution of the delivery language, I hope the CCC will use this additional comment period as an opportunity to clarify the language around delivery license names. For the sake of consistency and clarity, I hope you'll **use a label that tells the public what activity the licensee will be engaged in.** Perhaps the most consistent options would be:

- Marijuana Retail-to-Consumer Delivery and Marijuana Wholesale-to-Consumer Delivery
- Marijuana Delivery and Marijuana Retail-Only Delivery

Alternatively, you could use an all-inclusive license/entity and then use tiers or endorsements to clarify the designations further. Additional entity descriptors from which to name the license could include:

- Marijuana Deliverer
- Marijuana Courier
- Marijuana Home Delivery Service
- Marijuana Secure Distribution
- Marijuana Delivery Operator

I trust that you can reach consensus on a more clear entity name (or names) on which to base the name for your delivery license(s), but in the event that doesn't happen, I hope you'll look to stakeholders and the Cannabis Advisory Board as resources.

At the very minimum, if you keep the confusing "wholesale delivery" definition, I hope you will **change "limited" to "retail"** for the sake of consistency and some semblance of clarity. **At some point, the Commission may also want to harmonize its definitions to include entities and licenses consistently** (currently, the delivery licenses are the only licenses included in the definitions).

The delivery program and its exclusivity were born out of a goal of equity in this industry, yet the denying delivery licensees the ability to repackage products while granting that ability to licensees with storefronts is the height of inequity. I'm confident that should this commission truly want to advance equity, you, your product tracking software, and your inspections team are capable of ensuring delivery licensees are able to engage in repackaging in a safe and compliant manner.

Furthermore, it was disappointing to see that you have proposed denying the ability to white label to the smallest delivery operators. That you'd reserve "limited delivery" licensees to be the **only** consumer-facing licensee without the ability to white label further perpetuates inequity.

There are several routes that you could consider to remedy this:

- The simplest and most fair would be allowing all Marijuana Delivery Licensees to engage in white labeling
- When revising the license names, the CCC could establish retail, wholesale, and white labeling endorsements to a marijuana delivery license, with each endorsement being an optional part of the license application

Finally, **for clarity and consistency, now may be an appropriate time to add a definition for "repackaging" given that the Commission has proposed definitions for other industry activities, including white labeling and wholesaling.**

I appreciate all of your diligent and thoughtful work to establish this industry and this robust regulatory framework. As a resident of MA, I really appreciate your transparency, eagerness to receive public comment, and willingness to respond and adapt to it.

Thanks for your consideration. If you have any questions or feedback, please don't hesitate to contact me at kevin.gilnack@gmail.com or 860.918.6197.

Thank you,
Kevin Gilnack
11 Cady St., #1F
Lowell, MA 01852



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Cannabis Control Commission
ATTN: DIRECTOR OF CONSTITUENT SERVICES
2 Washington Square
Worcester, MA 01604

As the Massachusetts Marijuana Delivery program regulations are being defined, it is essential that considerations be made to ensure the success and financial viability of the Economic Empowerment applicants. Afrikai, a certified Economic Empowerment applicant which holds a Delivery-Only Pre-Certification, respectfully submits the following recommendations for maximizing the viability of the Massachusetts Marijuana Delivery Licenses.

500.145: 2. (d) (page 61)

Comment: Wholesale Delivery License holders should be able to carry and sell unallocated inventory

Rationale: The California market operates successfully in allowing delivery vehicles to carry unallocated inventory (inventory that has not yet been sold) and several of the delivery software providers (e.g., Blaze, Webjoint, Drop, dutchie) support this model. Not only does this model make the delivery license more efficient (thus more profitable) it is also friendlier to the environment. Being able to redirect vehicles that are already in route will reduce the overall amount of delivery traffic substantially.

500.002 Definitions (page 3)

Repackaging

Comment: Delivery Wholesalers should be able to repack

Rationale: Allowing delivery companies to repack certain marijuana products (e.g., flower -> pre-rolls) will increase the financial viability of the license, as well further encourage commerce between delivery operators and cultivators to the benefit of both licenses (cultivators will have more buyers and delivery companies will have better margins).

500.110: Security Requirements for Marijuana Establishments

8.b: Body Cameras (page 37)

Comment: Body cameras should not be mandated

Rationale: Body cameras would present a significant administrative, operational and financial burden to Delivery companies. The California delivery market has operated successfully and safely without body cameras, and speaking to delivery operators there, they feel body cameras would be significant deterrent for consumers to use delivery services out of fear that the video could be misused.

500.110: Security Requirements for Marijuana Establishments

8.c: Vehicle staffing (page 38)

Comment: Vehicle staffing beyond a single driver should not be mandated

Rationale: Requiring more than one person in a vehicle will present a significant financial burden to delivery companies. We have all observed other high value delivery industries (alcohol trucks, UPS, Amazon) operating successfully and safely with a single driver. (California has demonstrated a successful delivery program with a single vehicle occupant).

Sincerely,

Kai Grant
Afrikai LLC



The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES
STATE HOUSE, BOSTON 02133-1054

**REPRESENTATIVE
DANIELLE W. GREGOIRE**
REPRESENTING THE PEOPLE OF
THE 4TH MIDDLESEX DISTRICT

Chair
Joint Committee on State Administration
and Regulatory Oversight

STATE HOUSE, ROOM 23
TEL: (617) 722-2140
Danielle.Gregoire@MAhouse.gov

October 14, 2020

Cannabis Control Commission
ATTN: Director of Constituent Services
2 Washington Square
Worcester, MA. 01604

Dear Chair Hoffman, Commissioners Flanagan, McBride, Title and Executive Director Collins:

I am writing to provide comment on the Cannabis Control Commission's ("CCC") proposed amendments to 935 CMR 500.000: Adult Use of Marijuana. I greatly respect—and support—the Commission's continued efforts to provide equitable opportunities for many of our residents to meaningfully enter the newly legalized and regulated adult-use cannabis industry, not least of which include Social Equity and Economic Empowerment applicants.

I do, however, have significant concerns over the speed, process and policies being proposed by the Commission with regard to the creation of wholesale delivery licenses (WDL). First and most simply, the CCC's proposed WDL license is not authorized by the Legislature's enactment of M.G.L. Chapter 94G. If allowed to proceed, this policy could have significantly detrimental and wide-ranging impacts on the nascent legal industry, including harming the local revenues the General Court has fought so hard to create for our communities and local oversight of the industry.

First, in enacting Chapter 94G, the Legislature created "Marijuana Retailer" licenses which are entities "licensed to purchase and deliver marijuana and marijuana products from marijuana establishments and to deliver, sell or otherwise transfer marijuana and marijuana products to marijuana establishments and to consumers." It should be noted that no other license category enumerated or otherwise authorized in the statute allows for a licensee to deliver directly to consumers. While the CCC was authorized to "establish and provide for issues of additional types or classes of licenses" (see Section 4(b)(1) of M.G.L. c. 94G), such creation cannot conflict

with those activities clearly and plainly outlined by the Legislature. Here, and again, only a Marijuana Retailer can deliver to consumers. While the CCC may expand upon these powers, it may not unlawfully take away or substitute existing statutory provisions. While I appreciate that the CCC has gone through great pains in its draft regulations to determine that the WDL license is not a Marijuana Retailer, plain language and legislative intent clearly indicate otherwise. Simply, the CCC cannot seek to undermine or prevent the more than 70 locally permitted brick-and-mortar cannabis stores from participating in this model. Second, even if brick-and-mortar stores were allowed to meaningfully participate in the WDL license category in accordance with the statute, the proposed WDL policy is misguided and will detrimentally harm local communities if implemented at a time that stable local revenues are needed.

The introduction of adult-use cannabis has been a significant revenue driver for the Commonwealth and the municipalities that host these retailers through the local option of up to three percent of gross sales, as well as the financial commitments made through executed Host Community Agreements. These revenue streams have proven critical, especially in recent months due to the devastating economic and health effects of the ongoing pandemic. However, WDL licensees would be able to deliver cannabis into communities, while providing no revenue for those municipalities and without an ability to maintain a firm understanding of their operations—an ability our communities currently enjoy with their local brick-and-mortar cannabis stores. Transferring tax revenue to outside municipalities will diminish the many positive—and equitable—impacts our communities have been able to create as host communities and will detrimentally harm those municipalities whose leaders have embraced regulated cannabis, especially during this industry’s infancy. It was not so long ago that the CCC made direct appeals to communities like those in my district to welcome this industry. Now for those communities which have embraced the industry, we are very concerned that the same Commission may undermine that very system many communities have taken years to carefully develop and implement locally. Instead, the WDL license will create the very real likelihood of a small handful of entities, backed by large, third-party technology platforms who, together, operate several strategically placed, large warehouses, dominating the statewide-regulated cannabis market through the advantage of consumer convenience. Such a scenario will result in effectively undermining the tens of millions of dollars of local investment in brick-and-mortar stores, the more than 15,000 jobs this new industry has to offer, and the municipal tax revenue generation the industry has already created for all participating municipalities—not just the small handful of communities hosting these large mega-warehouses.

While I recognize vertically integrated operators could engage with wholesale delivery license holders by wholesaling marijuana and marijuana products to them, smaller operations, like stand-alone “mom and pop” retailers and limited delivery license holders will be more immediately and adversely affected. Stand-alone retailers will not be able to compete on convenience, while limited delivery license holders will not be able to compete on price. It should be noted that—

ironically—standalone retailers are predominately and limited delivery licensees are exclusively the very groups the CCC wish to empower. I have seen this scenario play out already with e-commerce, devastating many of our communities' Main Streets, forcing us to look to new ways to develop local economic opportunities. It would be unfortunate to invite this same, well-known economic outcome upon this newly created industry, especially when so much promise has already been shown in terms of revenue and job creation.

Because of these concerns—starting with the very rushed and uncommunicative nature that this process has followed—I respectfully request that the CCC place this discussion on hold and invite all stakeholders to the table. As drafted, it appears to violate currently crafted statute and more importantly will undue the thoughtful community-centric approach this Legislature took.

Sincerely,



Danielle W. Gregoire
State Representative

Matt Giancola

From: Danielle Grossman <danielle@grassphealth.com>
Sent: Friday, October 2, 2020 1:01 PM
To: Cannabis Control Commission
Subject: Draft Delivery Regulations Comment

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Tracked To Dynamics 365

Dear Commission,

I would like to submit a public comment regarding delivery regulations currently being drafted.

Regarding the regulation that requires two people to be in the delivery vehicle, I am requesting that the regulation be updated to be more in line with other state's regulations.

The requirement that 2 people be required in a delivery vehicle is both unnecessary and costly. While I understand that you have safety in mind, I can attest that we have operated a legal cannabis delivery business in many legal states and have never had an issue with driver safety. We use state-of-art technology that allows tracking, visibility, and safety throughout the entire delivery chain. We know where the products are at all times and when the order has been completed.

No other delivery service in the nation requires two people to be present, and updating the regulation would be more in line with appropriate business practices. I would also like to note that alcohol delivery and opioid delivery all require only 1 person in the vehicle. I believe cannabis delivery in MA should be treated the same.

More importantly, this will create a financial hardship for Social Equity applicants to operate profitable businesses. Not only will it double the cost of payroll, but it will also double the cost of insurance, which is already extremely high. No other industry requires you to hire 2 people to do 1 job.

It is in the best interest of the state and all social equity applicants to update this regulation so we do not set them up to fail. If you are truly committed to their success -- which I believe you are -- then you will update this important regulation in order to ensure their success.

Respectfully,
Danielle Grossman

--



Danielle Grossman
Director of Operations &
Growth
C: 310.938.3797
Grassp.Health



NS-AJO Holdings, dba Ethos Cannabis

20 Authority Drive
Fitchburg MA 01420

October 15, 2020

Massachusetts Cannabis Control Commission

ATTN: Director of Constituent Services

2 Washington Square

Worcester, MA 01604

Commission@cccmass.com

RE: *Draft Delivery Regulations*

Dear Chair Hoffman, Commissioner Flanagan, Commissioner McBride,
Commissioner Title, and Executive Director Collins,

Ethos Cannabis (“Ethos”) respectfully submits these comments in response to the Massachusetts Cannabis Control Commission regarding the recent Draft Delivery Regulations. Ethos is a vertically integrated CMO with medical and adult use locations in Fitchburg and Watertown, and an adult-use only retail location in Lynn. We are an innovative, research, and knowledge-based cannabis company that invests heavily in clinical research and patient applications. Our mission is supported by our relationship with Thomas Jefferson University and Health system, a leading academic medical center in the U.S., dedicated to collecting and analyzing valuable real-world data and developing educational initiatives with a focus on outcomes and quality of life. As a leader in this field, we are guided by the unequivocal principle that the safety of our consumers comes first, the foundation of which is based upon our rigorous internal compliance framework that ensures safety standards and applicable regulatory requirements are integrated into the operations. We pride ourselves in operating with integrity and appreciate the opportunity to provide these comments.

At Ethos, we strongly support the CCC's goal of a diverse, inclusive, and competitive marketplace that reduces the barriers of entry for social equity and economic empowerment applicants and small local businesses.

That is why we are so concerned by the CCC's current draft regulations creating the new Marijuana Wholesale Delivery License (WDL) framework. We believe that without proper regulatory limitations, WDLs will do to the Massachusetts cannabis economy what Amazon has done to local bookstores, hardware stores, and other retailers. Ultimately, the progress of Main Street revitalization that is anchored by reuse of vacant storefronts by brick and mortar marijuana retailers in numerous municipalities will be lost.



As described below, our pressing concern with the proposed regulations is that this license type will ultimately cannibalize brick-and-mortar marijuana retailers in the same way Amazon.com displaced local bookstores and other small business retailers. Whether through a 49% investment in a WDL during the exclusivity period for equity applicants, or when the exclusivity period ends, large out-of-state business interests will create "Amazon Model" logistics warehouses that aggregate massive volumes of wholesale product and deliver across the state like Amazon parcels.

The "Amazon Model" WDLs will have decisive financial advantages, including putting brick and mortar retailers out of business by accruing anti-competitive cost advantages, including:

- Lower real estate costs by locating massive "Amazon Model" logistics warehouses in low-cost industrial areas;
- Anti-competitive volume-based purchasing power;

With "Amazon Model" WDLs having financial advantages, the brick and mortar retailers will disappear, which will consolidate the cannabis economy in the hands of a very few corporate concerns. The Commonwealth will lose what it has worked so hard to achieve:

- Economic success for small social equity, economic empowerment and locally owned community-oriented retail stores, who will be displaced by the Amazon Model;
- A gross revenue advantage over all marijuana retailers because WDLs may not be subject to the local excise tax paid to municipalities, as allowed by Stat. 2017, c. 55;
- Consolidating an anti-competitive buying power for wholesale products that will undercut local marijuana retailers and eliminate their supply chains by diverting smaller supply orders;
- The corresponding economic benefits provided by brick and mortar marijuana retailers that will be lost in an Amazon Model:
 - local excise tax revenue;
 - Economic multiplier effects for local shops and restaurants; and
 - Main Street revitalization that is anchored by reuse of vacant storefronts by brick and mortar marijuana retailers in numerous municipalities.



In addition, the CCC's proposed regulations do not appear to meet the objective of creating better economic opportunity for social equity applicants and small business because WDLs will require greater capital investment, for example the cost for compliance and security of a WDL will be significantly higher than that of the Limited Delivery License, whereas any shortcuts taken in these important investments could increase the risks of illicit trade, youth access, and create unnecessary risks in the CCC's and the industry's delicate reputation.

Conversely, Ethos, along with the CDA supports the CCC-efforts to create a "delivery-only" license model, including supporting an exclusivity period of up to two-years for economic empowerment and social equity applicants. While there are important additional considerations we recommend the CCC contemplate to increase the profit opportunities for this license (enumerated below), we believe many successful delivery-only business models already exist as evidenced both by many of the CDA's own memberships' efforts to support and partner with these operators and the number of potential licensees who applied for the license type and still plan to pursue this model. However, we do believe additional profitability might be possible without losing important market and safety considerations through the adoption of several common-sense measures. Unlike the WDL model of licensing, the LDL model creates low barriers to entry, opportunities for many Equity entrants to create businesses, as well as new municipal licenses—all for a small cohort of applicants directly impacted by the Failed War on Drugs—without any of the unintended consequences the WDL license category would create for the industry and communities.

As evidenced by the Commission policy discussions, Ethos, along with the CCC prioritizes positively impacting those disproportionately impacted by the war on drugs and enabling a diverse marketplace with lots of operators and access for patients and consumers to products and education. Those who drafted the statute and the municipalities who went first with allowing licensees to get up and running, Chapter 94G was also designed to help fill up vacant storefronts, provide valuable tax dollars to help municipalities balance their budgets, and help increase valuation for surrounding businesses due to cross-traffic.

We believe that the CCC envisions the creation of the two delivery models as helping further these goals, providing a lower cost access point to market entry particularly for those disproportionately impacted by the war on drugs. However, the reality of the WDL model is the significant threat of elimination of the small business and to the viability of the LDL and standalone Retailer models.

As experienced in other industries, delivery is a logistics game, and lends itself to the ability to consolidate supplies and route optimization. This means players with more financial backing



who can afford better technology solutions to make them more competitive, and artificially reduce prices to outlast competition through undercutting will quickly dominate this young market.

We saw the impact of Uber on the thriving and well-established MA taxi industry, and with the obliteration of many Massachusetts small businesses and national large retailers alike due to online delivery fulfillment centers such as Amazon. We have seen other MA industries, like liquor, design a system that is succeeding and allows for home delivery but protects the brick and mortar package stores already under attack by larger chain stores by requiring that delivery originate from retail stores. There was a lot of study and market analysis completed to come to that conclusion.

Below are some of our concerns about the proposed WDL and suggested edits which would reduce these risks and better achieve the goals of the CCC and the industry.

Proposed Improvements:

1. Improve the profitability of LDL Model

The best way to ensure the success of a diverse delivery market is for the Commission to improve the competitiveness of the LDL, to support applicants pursuing the LDL achieve a viable business model. The LDL model has far fewer barriers to entry in terms of capital costs, and best promotes the CCC goal of lowering barriers to entry for market participation. By preserving a model with lower barriers to entry, it also helps ensure that operators are not forced to give up equity in their businesses in order to help realize a costly license (which makes partnership with a third-party tech platform much more attractive), helping to prevent a monopoly in the delivery space.

A benefit of improving the viability of the LDL model is that it also protects a source of taxes for the retail municipality and mutually benefits both LDL licensees and the retailers' businesses. This model will allow smaller players to continue to be competitive as they are delivering from multiple retail locations but have a defined radius.

Reduce LDL Security Costs: The overwhelming feedback we have received about how to improve the viability of the model is the importance of reducing operating compliance costs reasonably, to make LDL a more competitive model. The most crucial factor in creating a more feasible LDL model is the reduction of the required personnel in the delivery vehicle from 2 persons to 1. Security modifications such as one person per vehicle are crucial modifications



which would significantly improve operator margins. If the CCC is uncomfortable making such modifications at this point, we strongly suggest creating a definitive future date at which to re-evaluate the safety requirements for delivery, based on actual program data, to tailor these regulations and improve the LDL model further.

2. Prevent Ownership Stakes by Third-Party Technology Platforms

The CCC should limit equity and or ownership stakes of Third-party Tech platforms may have with licensees in both licensing/operating agreements and investments for all delivery models. Fostering an equitable delivery space through limiting the control of Third-Party tech platforms is the single most crucial mechanism that the CCC can utilize to prevent the Amazonification of the delivery market – or the promotion of a handful of licensees and tech platforms at the costs of the other perspective operators.

3. Tier and Fleet Sizing by Demonstrated Demand

Just as the Commission has identified natural license caps to ensure equitable market participation in all other license types, the WDL must not be a limitless license:

One License, One Warehouse, Five Vehicles: As compared to the brick-and-mortar adult-use retail operation, a typical daily turnaround is \$30,000/day. With each vehicle able to carry up to \$10,000 per trip in product, but realistically in a full 10-12 hour day being able to deliver \$5,500 in product (12 hours, 3 deliveries/hour, \$150 per delivery) we think a reasonable limit is 5 vans or up to \$30,000 per turnaround period, as it would be comparable to the Retail footprint.

Limit Warehouse Size to Mimic a Retail Store Vault: If the goal of the CCC is to generate many small, uniquely owned delivery operators in the market, a reasonable comparable model would be the 1,000 sqft operating space limit of the microbusiness model. Therefore, we would suggest a comparable warehouse size cap at 1,000 sqft. This avoids the issue of delivery companies overbuying and affecting market pricing.

4. Definitively Limit the Exclusivity Period

As we have outlined throughout this document, we do not believe that the results of the proposed delivery licensing scheme will lead to a diverse marketplace with many operators.



Instead, this will be a winner-take-all model, and with only a few winners the identified metrics and goals of the exclusivity period will never come to fruition. As a result, a handful of operators back by a one or a few third-part technology platforms will continue to dominate the delivery space and make it even more difficult for new operators to enter and compete in the field over time, becoming a never-ending cycle.

Ethos, along with the CDA believes that by improving the profitability of the LDL model and modifying the WDL model as proposed in this comment will see a delivery market much closer to what the Commission envisions and overall deliver a diverse and thriving market place that will improve the strength of Massachusetts' legal market for all licensees.

Respectfully Submitted,

Alex Hardy

NS-AJO Holdings, dba Ethos Cannabis

President, Massachusetts

Email: alex.hardy@ethoscannabis.com

cell: 1-781-962-9666



The Commonwealth of Massachusetts
House of Representatives
State House, Boston 02133-1054

October 15, 2020

Massachusetts Cannabis Control Commission
Union Station
2 Washington Square
Worcester, MA 01604

Dear Chair Hoffman, Commissioner Flanagan, Commissioner McBride, Commissioner Title and Executive Director Collins:

Thank you for the opportunity to submit written testimony regarding the Cannabis Control Commission's (CCC) draft delivery regulations, in particular the creation of wholesale delivery licenses. I am concerned that the current proposal would bypass established local dispensaries in favor of independent wholesale operators, reduce tax revenue to host communities and not provide the public a sufficient amount of time for comment, negatively impacting the Commonwealth.

Dispensaries are the cornerstone of the cannabis retail network envisioned by state law. Competition from delivery operators would undoubtedly mean reduced sales and therefore reduced tax revenue to host communities. I am also concerned about the potential disruption to the nascent retail marketplace and to local communities has not been fully vetted or realized given the abbreviated period for public comment. The proposed draft regulations have not been given the opportunity for sufficient review and may result in unintended consequences to our municipalities.

For these reasons, I ask that you reconsider this proposal or at a minimum provide more time for additional discussion involving all stakeholders, including municipal officials. Any delivery model should not circumvent local control, reduce local tax revenue and reverse the benefits envisioned in the Host Communities Agreement process.

Thank you for your attention to this matter and for your consideration.

Regards,
Stephan Hay
State Representative
3rd Worcester District



PO Box 65
Lincoln, MA 01773
info@mapreventionalliance.org
508-439-0926

Cannabis Control Commission
Union Station,
2 Washington Square,
Worcester, MA 01604

October 15, 2020

Dear Chair Hoffman and Commissioners of Cannabis Control,

The Massachusetts Prevention Alliance appreciates the opportunity to comment on the proposed changes made to the regulations pertaining to delivery licenses set forth in 935 CMR 500.000: *Adult Use of Marijuana*.

We have reviewed the proposed regulations for delivery and are very concerned about implications for enforcement, underage use, diversion of marijuana product to minors, increase in addiction and preempting local control.

Enforcement

The delivery license provisions are complicated and detailed; from underage use to the amount of marijuana delivered, it will be difficult and costly to enforce. There is no penalty system in place for violations and local law enforcement are stretched too thin to have the capacity to prioritize compliance with these intricate delivery regulations without further funding attached. The proposed regulations do not appear to include local tax to deal with enforcement and community impact. Where will revenues come from to help deal with local impact of delivery operations?

If the state or city/town were to perform compliance checks, what happens when violations are discovered? You could suspend or revoke a license, but the entity could easily continue to deliver. Since the product is delivered to private residences, how would local law enforcement and regulators ever find out about it? It seems to be a scheme that increases the potential for black and grey market activity.

Further, allowing delivery in general, and attempting to regulate it, opens the door to unlicensed illegal transport and the distribution of cannabis by nefarious delivery personnel and dispensaries that may transport cannabis for unpermitted sales under the guise of permissible and regulated transport. Limited enforcement resources and the potential for a high volume of illegal marijuana delivery services increases the risk of illegal activity and violent crime.

Alcohol home delivery data shows that compliance checks reveal widespread non-compliance. For example, investigations have revealed that deliverers have failed to check ID, have left alcohol at the door without the required signature, and taxes were not collected. And a number of noncompliance cases found that deliveries were made by retailers that did not have proper delivery licenses (Willingham, 2016). The Illinois Liquor Control Commission issued over 100 cease-and-desist letters to retailers, wineries and fulfillment centers in 2015 (Carrol, 2015). Willingham (2016) features a study done by researchers at the University of North Carolina that concluded “*age verification procedures used by Internet alcohol vendors do not adequately prevent online sales to minors.*”

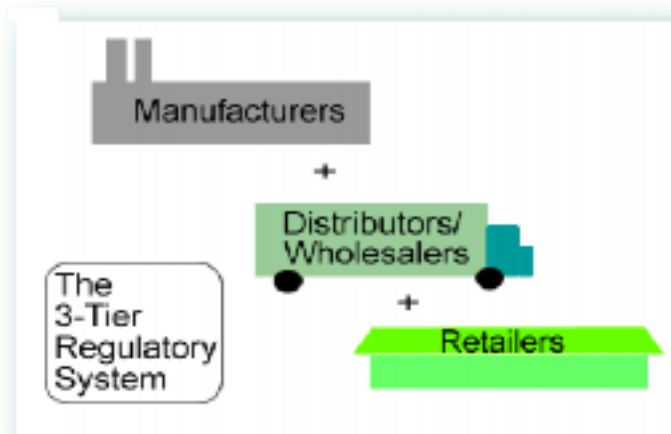
Suggestion for regulation amendment: like with many state alcohol delivery programs and to promote compliance with the law, we suggest every vehicle issued for legal delivery be clearly marked with state identification as an approved delivery vehicle, whether on their registration or other documentation to be carried in the vehicle at all times. We do not see this included in the proposed regulations.

Underage Use and Diversion to Minors

Home delivery of marijuana products will increase marijuana availability to youth by increasing opportunities for underage persons to subvert minimum age purchase requirements. Ordering by phone, fax, email or online portal may facilitate deception. Delivery persons may have less incentive to check purchasers’ age identification when they are away from the licensed establishment and cannot be watched by a surveillance camera, management, or other customers. One study that examined the use of alcohol home delivery by teens revealed that home delivery is a significant access point for underage use. In fact, ten percent of 12th-graders and 7 percent of 18- to 20-year-olds in 15 Midwestern communities reported they obtained alcohol through delivery services in the last year (Fletcher et al. 2000). Another alcohol delivery study found sizable proportions of young consumers receiving orders without having ID checked (more than one-third of respondents aged 25 years and under); while a further 24 percent did not personally receive their delivery - the order was left at the door or accepted by someone else (Monjica-Perez, et al., 2019). These studies suggest it will be very easy for youth to obtain marijuana products through home delivery; orders are often left at a location unattended, and fake ID use or no ID check is prevalent with home delivery operations. In addition, delivery increases the amount of product available in communities for diversion to underage person, via sharing of product and resale. If we truly want to keep marijuana out of the hands of our youth, delivery is not an option.

Increased Addiction and Dangerous Activity

Direct shipment does not have the same safeguards as the three-tiered system in terms of preventing black market and tainted products. The three-tier system—designed for the sale of all products—has major benefits. It is a closed system of product sale whereby a licensed manufacturer can only sell to a licensed distributor/wholesaler who can only sell to a licensed retailer.



Credit: Pamela Erikson, Healthy Alcohol Market place

This system prevents the entrance of illegally sourced products to the market and; thus, stops the trafficking of products that are unsafe or counterfeit. Since the wholesaler must track each product, recalls are reasonably swift in pulling products before harm is done.

Also, studies with home alcohol delivery show on-demand deliveries being used to extend heavy drinking occasions; and the use of these services by heavy drinkers. **Similarly, one study examining the relationship between the physical availability of medical marijuana and marijuana use across fifty California cities suggests that delivery services provides easy access to marijuana and may mitigate the effects of regulations limiting the number and densities of marijuana outlets to protect public health and safety (Freisthler & Gruenewald, 2014). Research also indicates access of marijuana through delivery services is related to frequency of physical child abuse (Freisthler, et. al. 2015).**

Delivery of marijuana products increases access to the drug which causes misuse, abuse and dependency. These studies indicate what is well-known: substance-use disorders, including marijuana-dependency can have profound negative consequences that include domestic violence, child-abuse and violent behavior. In fact, just recently, Massachusetts Supreme Judicial Court expanded the insanity defense to include chronic substance abuse. **The high ruling openly acknowledges cannabis-induced psychiatric conditions and recognized marijuana-psychosis (Ellement, 2020).** Given that both scientifically and legally this drug has causal connection to violence, psychosis, schizophrenia and suicide, it seems premature to be advancing delivery regulations prior to establishing reasonable THC potency limits for commercial sales in the Commonwealth.

Preempting Local Control

As written, section 500.050 10(b) would drastically preempt local control and regulatory authority by authorizing cannabis wholesale delivery licensees to operate a warehouse for storage of product anywhere in the state regardless of conflicting local regulations or bans. This will undermine a city or town's ability to effectively regulate cannabis at the local

level. Many cities and towns have gone through the lengthy, cumbersome process of opting out of recreational marijuana businesses through zoning and local ordinances. These local control measures were thorough in their due diligence to opt-out of all possible recreational marijuana business activity which include both marijuana delivery and warehouse locations that store marijuana product for retail sale. **We respectfully request the language in Section 500:145 (L) be amended:**

(l) Deliveries by a Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement shall be geographically limited to: 1. The municipality identified as the Marijuana Establishment License's place of business; 2. Any municipality which allows for retail within its borders whether or not one is operational; ~~or 3. Any municipality which and after receiving notice from the Commission, has notified the Commission that delivery may operate within its borders.~~

As currently written, 500:145 (L) is extremely troubling. This section subverts the intent of the voters who approved legalizing marijuana in Massachusetts in 2016. The purpose and intent of the provisions of the law, now codified in G.L. Ch. 94G, expressly recognize the value of local control in regulating commercial cannabis activity. In brief, it provides that “*local cities and towns can limit or ban marijuana businesses*” (Galvin, 2016) through an opt-out process that would “*(i) prohibit the operation of 1 or more types of marijuana establishments within the city or town*” as well as “*restrict the licensed cultivation, processing and manufacturing of marijuana*” with a by-law or ordinance enacted through the defined local processes outlined in the law. Section 500:145 (L) as drafted, fundamentally alters this pillar of Chapter 94G section 3 by implying that cannabis deliveries are allowed in violation of local ordinances and bylaws. These proposed regulations on delivery chip away at the very foundation of local control by allowing a way to circumvent local control to establish marijuana delivery business with warehouse storage and white labeling operations in a town or city that has exercised their legal right to opt-out and ban all commercial cannabis activity within their border. We urge the Commission to amend the language of this section to uphold the intent and purpose of the law that preserves local control promised to the people of the Commonwealth.

Thank you for this opportunity to provide written testimony for the record and outline some of our concerns with advancing delivery regulations. We respectfully request that these draft delivery regulations be paused until revenues are designed to support local enforcement; THC potency limits are in place; and amendments are made to uphold local control statute. We welcome working with you to provide information and resources to help in your finalization process. If you have any questions, please feel free to contact me at (508) 439-0926.

Sincerely,



Heidi Heilman, President
Massachusetts Prevention Alliance



Willingham, M. (2016). Compliance issues with direct shipment of alcohol to consumers. *Dram Shop Expert*, July 21. <http://www.dramshopexpert.com/compliance-issues-with-direct-shipment-of-alcohol-to-customers/>

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Freisthler, B., Gruenewald, P.J., Price Wolf, J. (2015). Examining the relationship between marijuana use, medical marijuana dispensaries, and abusive and neglectful parenting, *Child Abuse & Neglect*, Volume 48, Pages 170-178, ISSN 0145-2134, <https://doi.org/10.1016/j.chiabu.2015.07.008>.

Ellement, J. R. (2020). SJC expands insanity defense to include chronic alcohol or substance abuse. *The Boston Globe*. <https://www.bostonglobe.com/2020/10/07/metro/sjc-expands-insanity-defense-include-chronic-alcohol-or-substance-abuse/?fbclid=IwAR3C8zrEQgiACQxxpdFF45Vj5zICw275-OXMym5tR0LAmfjTS2l-uwOI7ZQ>

Matt Giancola

From: Sean Hempseed <seanhempseed@gmail.com>
Sent: Tuesday, October 6, 2020 12:50 PM
To: Cannabis Control Commission
Cc: CCC Social Equity
Subject: out of state companies striking delivery deals?

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Tracked To Dynamics 365

How can this be? How can a licensed adult use dispensary ignore the entire letter and spirit of the law regarding prioritizing persons and towns harmed by the drug war?

I recognize this is only a press release and they do state delivery is not really valid, but I think you need to put pressure on the industry operator who allowed this crazy press to be sent out. Why is your regulated operator not helping US (SE and EE's)?

This smells of big money takeover to me... an indigent SE in the second cohort.

<https://www.thcnet.com/news/tilt-holdings-launches-blackbirdgo-cannabis-delivery-in-massachusetts?>

Matt Giancola

From: Michael Hunnewell <mike.r.hunnewell@gmail.com>
Sent: Thursday, October 15, 2020 12:18 PM
To: Cannabis Control Commission
Subject: Public Comment Submission for Proposed Wholesale License Legislation

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Tracked To Dynamics 365

To The Massachusetts Cannabis Control Commission:

It has recently come to my attention the commission is looking to create a structure where citizens can purchase directly from the cultivation facilities. Frankly, I don't see how any of the legislation makes sense with the exception of maybe large corporations seeking to reap additional benefits.

As a true small business owner, I have waited patiently for over a year in the CCC permit line while I watch large corporations like Sira, Revolution, and Canopy rake in HUNDREDS of millions in revenue collectively from their open stores. Meanwhile, I still have to work my regular 9-5 job while at nights I manage all my work for my cannabis business. I can assure you, this has not been a process I have enjoyed doing over the past year. Now I find out the CCC is proposing legislation to allow cultivation firms, who at this point are all large corporations, to sell directly to consumers while none of the other retail entities, including myself, have even opened their doors? How does that benefit small business? This legislation is a giant slap in the face to local residents looking to seize on a once in a lifetime opportunity.

Put aside the millions in tax revenues the local municipalities will miss out on, the Massachusetts residents are bound to suffer from this legislation. For one, how does this benefit the socially disadvantaged and minorities if large corporations are allowed to take a 49% stake in a company and finance 100% of the debt? We saw large firms like Seahunter take advantage of this exact rule when they were caught controlling more than 3 permits and that was when they could only have a 10% stake in the company! So is the CCC just trying to make it easier for them to cheat the system? On top of that, without geofencing, large corporations will just run the small business firms out of business by operating at a loss and eventually gain a monopoly on the industry when the competition goes bankrupt. Venture capital firms do this all the time. We've already seen VC backed delivery companies like GrubHub decimate local businesses, why is the CCC looking to have the same effect happen to the cannabis industry?

In my opinion, if you want to help small businesses, approve the permits sitting in the CCC queue faster so they can get open and start offering products to residents while collecting tax revenues for the towns and state. Then set up a geofenced delivery license for retail stores. That way retail and delivery owners benefit AND consolidation from large corporate entities are prevented. Whatever you do, don't approve this terrible proposed legislation.

Kind Regards,

Michael Hunnewell

President

Eskar

781-697-9323



Adult Use Delivery Draft Regulation Public Comment Submission

Massachusetts Cannabis Control Commission
Union Station
2 Washington Square
Worcester, MA 01604

October 15, 2020

Dear Chair Hoffman, Commissioner Flanagan, Commissioner McBride, Commissioner Title, and Executive Director Collins:

Thank you for the opportunity to comment on the Cannabis Control Commission's (CCC) proposed amendments to 935 CMR 500.000: Adult Use of Marijuana. Good Chemistry is a strong supporter of both social equity programs and consumer delivery. We are a firm believer in equity diversity and balance across the cannabis industry. However, **as currently drafted the amendments you have proposed are extensive, complicated, have the potential for unintended consequences and will have a significant impact on communities across the Commonwealth, as well as the cannabis industry as a whole.**

Due to these reasons, we are asking the CCC to extend the process of review and approval of the proposed amendments so that a stakeholder group comprised of social equity advocates, CCC members, other state and local regulators, community and municipal representatives, cannabis industry representatives, law enforcement officials and other affected parties can come together to collaboratively shape this policy that will affect so many.

Success of the cannabis industry--including the tax revenue it creates and the jobs it provides--depends on the buy-in of all these stakeholders on the state and local level. In general, this point is relevant to many of the proposed concerns here. As an existing operator, it is critical to our and the entire industry's success that municipalities and other stakeholders continue to view the cannabis industry in a positive light, and that the industry is not inadvertently caught up in a perceived conflict between any stakeholder and the CCC. We all share the goal of continuing to properly develop cannabis laws, regulations and rules, and believe that impacted stakeholders should have the ability to comment on any material changes. Given the limited amount of time we have had to review / analyze the new regulations we have provided below a preliminary, representative list of a select set of our initial concerns including illustrative thoughts on potential changes to the amendments to 935 CMR 500.000 as those amendments are currently drafted. **Please note that this list is preliminary and not exhaustive but highlights our initial concerns at this time.**

Topic: Fees

Regulation: 500.005(3)

Concerns: Fee reductions should only be offered if the majority of ownership is continuously held by social equity, economic empowerment, or minority business owners at the point of renewal annually. If a change of ownership occurs then the reductions should no longer apply to the license without majority ownership held by social equity, economic empowerment, or minority business owners as per the Commission's definitions. We applaud the Commission for including this in the draft regulations and want to ensure that it will only apply in an equitable manner.

Potential Solution: We suggest that the Commission clarifies this in regulations to ensure this citation will always support equity and not provide reductions to licensee ownership that is not maintained by a majority of social equity, economic empowerment or minority individuals as defined by the Commission.

Topic: Control Limitations

Regulation: 500.050(1)(b)(6), 500.145(1)(g)(1)

Concerns: With the quick creation of the wholesale delivery license there is a major concern that a variety of different types of organizations, including but not limited to, third party delivery technology platform providers, alcohol distributors, and other retail delivery businesses, may have an outsized influence on the development of the delivery business model in the Commonwealth. Current operators licensed by the CCC are very worried about the very real threat of the "Amazonification" to our nascent cannabis industry.

For example, one group that poses a threat to dominating the adult use cannabis delivery market in the Commonwealth are liquor distributors. Liquor distributors operate business models like the proposed WDL model and are seen as a direct threat to small operators who want an opportunity to start a low cost delivery business. These liquor distributor business models are made up of some of the same components as a WDL - warehouses, van fleets, but they are well capitalized and arguably best positioned to create an "Amazonification" of the cannabis delivery model in Massachusetts after the exclusivity period ends.

Other companies such as Eaze, OnFleet, Blackbird, and Lantern/Drizzly are likely to have written agreements with cannabis operators in regards to using their services as a third party platform provider. These companies typically charge fees and/or look to collect a percentage of sales revenue from the licensed cannabis operator. In addition to those fees, these companies now have the opportunity to profit through ownership of delivery licenses in the Commonwealth. There is an opportunity for the retail market to be dominated by these companies and for a monopolization through the combination of potential ownership and delivery agreements, which in turn, restricts the profitability of the social equity candidates, directly in conflict with the intention behind the exclusivity period.

Potential Solution: Suggested language change 500.145(1)(g) - *“A Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement and Marijuana Retailer may use a Third-party Technology Platform Provider to facilitate the orders by Consumers, and as permitted Patients or Caregivers. **Third-party Platform Providers, liquor distributors or other large delivery-based organizations, or their affiliates, may not hold ownership in or otherwise control Delivery Licensees.**”*

Suggested language change 500.145(1)(g)(1) - *“All agreements between a Delivery Licensee or a Marijuana Establishment with a Delivery Endorsement and a Third-party Technology Platform Provider shall be available for inspection as part of the requirements for licensure in 935 CMR 500.101 and shall be **restricted from containing language that agrees to ownership or control over the delivery licensee. Third-party Technology Platform or Delivery Providers may only provide services through these agreements.**”*

Topic: Exclusivity Period

Regulation: 500.050(9)(b)

Concerns: We do not believe that the results of the proposed delivery licensing scheme will lead to a diverse marketplace with many operators. Instead, this will be a winner-take-all model, and with only a few winners the identified metrics and goals of the exclusivity period will never come to fruition. As a result, a handful of operators backed by one or a few third-party technology or delivery platforms will continue to dominate the delivery space and make it even more difficult for new operators to enter and compete in the field over time, becoming a never-ending cycle.

Potential Solution: We suggest the Commission restrict further extension of the exclusivity period and set a hard limit at 3 years in the final regulations, as currently written in the draft regulations.

Topic: Host Community Agreements

Regulation: Warehouse Definition pg. 21

Concerns: Municipal officials voted to allow or deny Adult Use retail establishments and Adult Use delivery operations. Without further guidance and amendments to regulations, the launch of the WDL appears to circumvent the restrictions put in place by Mayors, city officials, and municipalities. The Commission’s Municipal Zoning Tracker lists towns and cities that opted in or out of AU delivery when the courier style delivery license or delivery endorsement were the only options in the regulations. With the creation of a new delivery license type, municipal leaders need to be able to weigh in and vote again. Wholesale delivery licenses would not be operating on behalf of an already established Marijuana Retailer, and therefore would need to execute host community agreements in all intended areas for retail transactions to ensure the cities or towns desired to deliver in will allow for this type of cannabis distribution and sale in their jurisdictions.

Potential Solution: Suggested language change - *“For Wholesale Delivery Licensees the location of the Warehouse shall be the Licensee’s principal place of business in the host community. **In addition to a host community agreement for their location of the***

warehouse, Wholesale Delivery Licenses also need to execute host community agreements in all jurisdictions where Adult Use delivery transactions will take place.”

Topic: Vehicles

Regulation: 500.145(6)

Concerns: Without limitations in place on the operational abilities of the WDL, this new license type is ripe for corporate investors to take advantage of delivery licensees and dominate the retail marketplace with a large van fleet that could dominate the retail market in Massachusetts. Retailers have a regulatory cap to limit brick and mortar dispensaries to a total of three facilities per business to prevent this from happening. A delivery van is a mobile retailer and therefore should be limited in regulations like brick and mortar retail establishments.

Potential Solution: Since WDL will operate as “a dispensary on wheels” in the way the current regulations are written, we suggest the Commission limit (i.e. three) the total number of vans during any point of operations for a WDL. For example, the CCC could create a van tier that would allow approved WDL operators to begin sales with one van. If the licensee can demonstrate that 85% of cannabis products housed in their warehouse are sold on an annual basis, the licensee can request to upgrade their van fleet to two vans, and then three vans respectively at time of license renewal. This would be similar to the tier process currently in place for Marijuana Cultivators.

Topic: Delivery Radius

Regulation: 500.050(11)

Concerns: Some municipalities have opted out of AU Retail and delivery operations. We have heard and read in recent news there are concerns from local officials that the creation of WDL will circumvent the regulations put in place in communities around the Commonwealth. Municipalities did not have the opportunity to weigh in on the creation of the WDL and deliveries being transacted in their jurisdictions without being able to properly collect the appropriate tax rates, sales revenue, and without executing Host Community Agreements.

We ask that the Commission pause on the finalization of the WDL in order to collaborate with local officials to create new regulations, and iron out draft regulations, that municipalities will feel comfortable and safe with. Delivery Licensees and Brick and Mortar operators will benefit from clarification in their Host Communities about the creation of the new delivery license type.

Potential Solution: We strongly suggest the Commission to engage municipalities to get their vote on allowing the new WDL license type in their jurisdictions. The current Municipal Zoning Tracker provided by the CCC should be updated to show if municipalities will allow both LDL and/or WDL. For example, delivery radiuses should be restricted to the areas that licensees have executed Host Community Agreements so that the Host Community can collect the appropriate tax revenue and community impact fees.

We ask the Commission to allow more time to finalize the creation of the wholesale delivery license by creating a working group that allows all stakeholders to come to the table to discuss the proposed regulations, voice concerns, and work through solutions upon which all parties can reach a compromise.

Just as medical delivery operators have been required to do so, we suggest delivery licensees should be required to clearly state their intended delivery radius in their license application and the CCC will need to approve the radius based on executed Host Community Agreements, municipal approval for AU retail and delivery operations, and the language within the agreements.

Topic: Security Requirements

Regulation: 500.110(8)

Concerns: The requirement for body cameras is an unfair disadvantage for Adult Use Delivery licensees. Medical operators with delivery endorsements are not required through regulations to wear body cameras. In addition to body cameras and vehicle cameras, AU delivery operators are required to have two registered agents transporting products and use GPS tracking devices which require further investment costs.

Potential Solution: In order to create a lower cost of entry for social equity applicants, we suggest the Commission removes the requirement that body cameras must be used during AU delivery transport and transaction. We also ask the Commission to remove the requirement that two registered agents are needed in the vehicle during transport and delivery routes during medical and adult use operations. This will significantly decrease the overhead costs for delivery operators. This change could decrease labor costs by as much as 50%.

Topic: Warehouses

Regulation: 500.050(11)(b)

Concerns: Creation of the WDL without restrictions and limits that create a low cost of entry allows opportunity for this license type to be backed by corporate investors, which goes against the spirit of the social equity program. We have heard feedback that SE licensees want to be self sufficient in funding their operations. We ask that the Commission consider putting limitations in place to allow for a small business model that would create profitability for approved delivery operators during and after the exclusivity period. The Commission has acknowledged that they understand the operational and regulatory costs associated with a warehouse facility are much higher than the limited delivery license operation. We feel that there was not enough consideration to the implications and unintended consequences of allowing a warehouse to be part of the delivery program.

There currently and historically has been an extreme shortage of product in the Commonwealth, mainly due to very few operational testing labs. New testing regulations that will require products to be destroyed more frequently than before, and everlasting effects of the adult use shutdown earlier this year due to the pandemic are more recent causes to the shortage of product. There is a concern that since WDLs can purchase wholesale directly from brick and mortar establishments that there will be a rush to stockpile product in order to ensure inventory

available for delivery. The tier relegation process created by the Commission also is in place to prevent stockpiling.

Potential Solution: We suggest the Commission creates a limitation that is inline with cultivation tier relegation and apply this concept to WDL. In order to create a lower cost of entry for social equity applicants and to reduce the risk of corporate companies stockpiling product we suggest that the Commission limit the size of the warehouses allowed for WDL. For example 5,000 sq ft. could be the size of the facility, which is inline with the size of operations for MicroBusiness brick and mortar establishments.

In addition, we strongly suggest the Commission prioritize and fasttrack the licensing process for new ITLs in the Commonwealth. Currently the two labs that are operational for adult use testing have long lead times of up to 5 weeks. Staffing issues as a result of the pandemic, increased amount of sample submissions by new cultivators and product manufacturers coming online, and new testing requirements put in place by the CCC are all factors in delaying the receipt of test results. The delay in safe, tested products becoming available for customer sale and licensed establishments is ultimately a win for the illicit market and a threat to the delivery program, as many illicit delivery services are currently operational in the Commonwealth.

Thank you for the opportunity to comment on the proposed amendments to 935 CMR 500.000: Adult Use of Marijuana. Good Chemistry is a strong supporter of efforts to increase social equity in the cannabis industry among those most negatively harmed by the War on Drugs, and we applaud the CCC's commitment to tackling this important issue. However, these proposed amendments are complex and substantial, and we are concerned about many potential long-term unintended consequences they might have for the Commonwealth's nascent legal cannabis program. We urge the CCC to delay implementation and convene a formal, broad stakeholder process so that the industry, social equity advocates and local communities can come together to craft a policy that avoids unintended consequences and works for everyone. Good Chemistry has always made a great effort to offer helpful insight to policymakers as they craft responsible rules and regulations that ensure for public health and safety, while at the same time allowing our industry to prosper, provide jobs and generate revenue. Over the past decade, we have participated in rulemaking stakeholder workgroups convened by the State of Colorado, the City of Denver, the City of Aurora, the State of Nevada, as well as in the Commonwealth. We would be honored to offer further input and work with you and other stakeholders to develop a delivery policy that addresses the concerns of all stakeholders.

Thank you very much for all you do to regulate medical and adult-use cannabis in the Commonwealth. We very much appreciate the opportunity to comment on these draft regulations, and have the utmost confidence in your consideration of them.

Sincerely,



Matthew J. Huron
CEO and Founder
Good Chemistry Nurseries



THE GENERAL COURT OF MASSACHUSETTS
STATE HOUSE, BOSTON 02133-1053

October 15, 2020

Massachusetts Cannabis Control Commission
Union Station
2 Washington Square
Worcester, MA 01604

Dear Chair Hoffman, Commissioner Flanagan, Commissioner McBride, Commissioner Title and Executive Director Collins:

Thank you for the opportunity to submit written testimony regarding the Cannabis Control Commission's (CCC) draft delivery regulations, in particular the creation of wholesale delivery licenses. While we deeply appreciate your diligent work as individual commissioners and as a regulatory authority, we believe that the wholesale delivery license category proposed in the draft regulations was not contemplated, nor supported, by the enabling legislation. We are also concerned that the enormity of this change and its' potential disruption to the nascent retail marketplace and to local communities has not been fully vetted or realized given the abbreviated period for public comment and we would ask that you revisit your timeline to allow for additional public hearings and acceptance of written testimony.

Chapter 94G of the Massachusetts General Laws established "Marijuana Retailer" licenses which are entities "licensed to purchase and deliver marijuana and marijuana products from marijuana establishments and to deliver, sell or otherwise transfer marijuana and marijuana products to marijuana establishments and to consumers." Further, the 2016 successful ballot question, "The Regulation and Taxation of Marijuana Act" and the Legislature's amendments to the voter approved law, as reflected in Chapter 55 of the Acts of 2017, deliberatively and intentionally created a license that made clear delivery of marijuana to consumers is directly and only linked to marijuana retail establishments. Additionally, both the ballot question and amended law specify that "marijuana cultivators" and "marijuana product manufacturers" may "...deliver marijuana (and marijuana products) to marijuana establishments and to transfer marijuana (and marijuana products) to other marijuana establishments, but not to consumers."

Therefore, the draft delivery regulations that create a wholesale delivery license direct to consumers is clearly not contemplated in the law. In addition, the creation of this type of license undermines the intent of the law, which was to regulate the direct sale to consumers through the licensing of marijuana retailers. Accordingly, the only change in the regulations should be the

creation of the delivery license allowing delivery from licensed marijuana retailers to consumers, as envisioned in the law. Instead, the draft regulations create a shadow direct to the consumer marketplace not governed by the licensing requirements and regulations of marijuana retailers. These draft regulations also significantly change the landscape for cities and towns after many had already engaged in intensive community-wide conversations about the number and types of marijuana establishments their communities wished to host. Further, the proposed draft regulations have not had the opportunity to be sufficiently reviewed and may result in unintended consequences to our municipalities.

Again, thank you for the opportunity to provide written testimony and we hope that you will give due consideration to our request.

Sincerely,

Hannah Kane
State Representative
11th Worcester District

Claire Cronin
State Representative
11th Plymouth District

Michael Moore
State Senator
2nd Worcester District

Danielle Gregoire
State Representative
4th Middlesex District

Jay Barrows
State Representative
1st Bristol District

Kimberly Ferguson
State Representative
1st Worcester District

Ryan Fattman
State Senator
Worcester & Norfolk

Tricia Farley-Bouvier
State Representative
3rd Berkshire District

Mark Cusack
State Representative
5th Norfolk District

Gerard Cassidy
State Representative
9th Plymouth District

Mathew Muratore
State Representative
1st Plymouth District

Stephan Hay
State Representative
3rd Worcester District

Theodore Speliotis
State Representative
13th Essex District

Brian Murray
State Representative
10th Worcester District

Carole Fiola
State Representative
6th Bristol District

Susan Gifford
State Representative
2nd Plymouth District

David DeCoste
State Representative
5th Plymouth District

Paul Frost
State Representative
7th Worcester District

Anne Gobi
State Senator
Worcester, Hampden, Hampshire &
Middlesex



PUBLIC COMMENTS FOR CCC

Gram Delivers would like to submit our comments about 935 CMR 500.000: Adult Use of Marijuana draft regulations. While we support the draft regulations, we also want to add our public comments as listed below:

COURIER OR LIMITED DELIVERY MODEL:

We have done extensive research and analysis and feel that this model and license can be financially viable for a delivery company. There are many dispensaries that both need and want to offer home delivery to their customers. With the correct service, security, and pricing plans in place, most dispensaries will want to work with a delivery company operating under this model.

NUMBER OF AGENTS IN VEHICLE:

The safety and security of the drivers, customers, and product should be the determining factor in this regulation. If a delivery company can present a plan and process that can ensure the safety and security of all parties, they should be allowed to operate with one agent as opposed to two. The existing waiver process should allow these companies the ability to reduce the number of agents from 2 to 1. We would be happy to share our plan with CCC as we feel that it should be the standard procedure if only 1 agent is in a delivery vehicle.

WHOLESALE LICENSE:

There are many people that didn't want or expect this change to happen and we feel this is a very controversial topic with dispensaries and cultivators. First and foremost, any delivery company that is seeking this license should be held to the same security standards as a dispensary or cultivator. This means that this license is going to need to have the same expectations and scrutiny placed on it as any other Cannabis business in the state.

Additionally, this license seems to be causing a divide between dispensaries, cultivators, and potential delivery companies. We can't speak for other delivery companies since we were not part of the group that proposed this change, but Gram will be looking to work with dispensaries and help to enhance their business. Well organized delivery companies with a wholesale license will need to be partners with dispensaries and vice versa. This should not be a topic of controversy or division, but rather a topic to encourage growth for everyone. Similar to our security plan, we would be happy to share our business model with the CCC on how a delivery company can effectively run and maintain prosperous relationships with dispensaries.

Warren Keller-Brittle

President-Gram Delivers

617-201-9644

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Matt Giancola

From: Ericca Kennedy <ericcakenedy@icloud.com>
Sent: Thursday, October 15, 2020 1:14 PM
To: Cannabis Control Commission
Subject: Draft Delivery Regulations

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Tracked To Dynamics 365

Ericca Kennedy
Wareham, Massachusetts
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(774) 628-8979

To The Cannabis Control Commission,

I hope that this email reaches you in good health. I am contacting you today as an individual participant in the public comment regarding **935 CMR 500.00: Adult-Use of Marijuana draft delivery regulations.**

As a Cannabis Control Commission Economic Empowerment applicant I support maintaining the following existing draft regulations to ensure inclusive growth and participation in the Massachusetts Adult-Use Marijuana industry:

Creation of a Wholesale Delivery license with the ability to store marijuana and marijuana related products overnight;

A wholesale Delivery Licensee being defined as having the ability to purchase products from a Marijuana Cultivator, Marijuana Product Manufacturer, Microbusiness or Craft Marijuana Cooperative under draft delivery regulation definitions 935 CMR 500.002 and the Wholesale Delivery License NOT to be considered/defined and/or otherwise designated as a Marijuana Retailer;

Under 935 CMR 500.002 (10) (b) The extension of the Wholesale Delivery exclusivity period to thirty-six (36) months for EE and SE applicants;

The ability for a Wholesale Delivery Licensee to White-Label marijuana products for wholesale and delivery to legal adult-use customers 21 years of age or older.

The above-mentioned existing draft delivery regulations would directly result in eliminating barriers of entry for EE and SE applicants into the regulated Adult-Use Massachusetts Marijuana Industry and allow disproportionately impacted businesses the opportunity to establish viable business models. Enacting these changes can create equitable establishment in a market that is ailing for inclusion and has been dominated by dispensaries that do not reflect The Cannabis Control Commission's mission of "supporting full and robust industry participation by minorities, women, and veterans," as stated in the link below by The Cannabis Control Commission.

<https://opendata.mass-cannabis-control.com/stories/s/Agent-and-Owner-Registration/49ku-9nf3>

79.4% of recreational marijuana businesses within the Commonwealth of Massachusetts, designated as Pending and Approved License applications, do not identify as a Disadvantaged Business Enterprise — they are not owned or operated by the very groups that The CCC has, in-part, committed to supporting. I again urge the CCC to promulgate 935 CMR 500.00: Adult-Use of Marijuana draft delivery regulations, in order to facilitate a viable and sustainable business model for EE and SE applicants to participate in the Massachusetts Adult-Use industry, as regulated by the CCC.

I further encourage the Commission to make the Wholesale Delivery License Portal available to exclusivity period applicants prior to the close of the 2020 calendar year.

Thank you for your time,
Ericca Kennedy

Opinion/Discussion & Recommendations Re: Adult Use Delivery Draft Regulations

Reference:

- [Public Meeting Packet - September 24 Regulatory Discussion Re: Delivery Draft Regulations](#)
- [Full Draft Regulations With Draft Delivery Regulations - Adult Use - 9/24](#)
 - [9/28 - Update/changes to 9/24 Draft](#)
- [Full Draft Regulations With Draft Delivery Regulations - Medical - 9/24](#)
 - [9/28 - Update/changes to 9/24 Draft](#)
- [CCC Press Release Re: Draft Delivery Regulations](#)
- [Cannabis Control Commission Notice of Public Comment](#)
- Other Opinions:
 - [Considerations for Delivery Public Comment Period - blog by Shaleen Title](#)
 - [Comments from Kevin Gilnack, former CDA Exec Director](#)
 - [MCAD - Massachusetts Cannabis Association for Delivery - Statement on Threats to Cannabis Delivery Equity](#)
 - [MCAD Petition - Creating an Equitable Massachusetts Cannabis Delivery Market](#)

Background:

When Adult Use Marijuana was legalized and implemented in Massachusetts, the law contained equity provisions which mandated the inclusion of communities and individuals that have been disproportionately or directly affected by the War on Drugs. The licensing framework, taxation structure, and regulatory environment that were since put into place, have centered around a brick-and-mortar retail model with local control via the Host Community Agreement. However, it cannot be ignored that the cannabis industry did not just suddenly spring into being in 2016 - it has been fully functioning for decades, primarily via direct to consumer delivery. The newly legal Adult Use industry unfortunately did not honor that fact, and instead focused on a model which has never been reflective of the way the cannabis industry has traditionally done business before legalization. Furthermore, there were no equity provisions in the Medical Marijuana law, and the costs and barriers to entry for both Medical and Adult Use licenses has shut out existing operators, minorities, small businesses, disadvantaged business types, and those who have been disproportionately harmed by the War on Drugs. Considering this, it's no wonder that licensed Marijuana retailers face much more competition from the illicit/unlicensed market than they would from the proposed Wholesale Delivery License type.

Now that it's been a couple of years since implementation, hindsight is a lot clearer, and it's undeniable that the existing framework of the industry has failed to both include communities/individuals who were disproportionately affected by the War on Drugs, and to transition illicit market share into the regulated market. The Wholesale Delivery Model is a major fundamental change, but it's a necessary one that can serve to 'course correct' from those

issues while actually honoring and reflecting the existing/traditional market. Seven years worth of businesses/investment in legal marijuana, pales in comparison to the decades of history in this industry that never should have been illegal. Without a license type that aligns with the way the existing cannabis industry does business, existing operators have little motivation to become licensed, and the illicit industry maintains the lion's share of the market in Massachusetts - this 'infighting' between brick and mortar retailers and the proposed Wholesale Delivery licensees is unnecessary and futile.

Rather than trying to shut down the Wholesale Delivery License, this model should be embraced as a solution to the division between the regulated and unregulated market, and as a pathway to including more EE/SE businesses in the industry. Rather than spending money on a legal strategy to challenge the existence of this proposed license, the industry would be better served by supporting the Wholesale Delivery License type - with additional changes/regulations that protect everyone from monopoly-like activity and market consolidation, and by finding other strategies to support EE/SE businesses while adapting to the resulting shifts in the market. We should be *for* something and offer solutions, rather than be *against* this.

I have heard from industry stakeholders, delivery applicants, MCAD members, and other advocates, and I believe there is a path forward that represents a compromise and a 'middle way' that works for all "sides" when it comes to the delivery regulations, including attracting illicit market operators and illicit market consumers into the regulated market. Below is a breakdown of each issue/concern that I have gathered from conversations with stakeholders on all sides, along with suggestions and recommendations that I believe represent a middle ground that would best serve the industry:

- The Cost of Doing Business
- Limiting on the Size/Scale of *Both* the Wholesale Delivery and Limited Delivery Licenses
- Third Party Technology Platforms
- Implications regarding Taxation and Host Community Agreement Impact Payment funds
- The name of the Wholesale Delivery License, and designation of "retail" vs not retail
- White Labeling and Repackaging

Issues & Recommendations:

The Cost of Doing Business

The costs associated with the Wholesale Delivery License are going to be high - warehousing costs, security costs, body cameras and data storage, vehicles, etc., and the fact is that this will not present a lower barrier to entry. However, rather than use that fact to justify removing the proposed Wholesale Delivery License, we should be offering solutions to overcome the high startup costs and improve profitability for the Wholesale Delivery License, in

order to meet the goal of including more small / disadvantaged businesses in the industry. The model itself is not the issue - the problem lies more in the onerous costs associated with complying with the excessive security requirements imposed on delivery. How can we reduce these startup costs and make it more feasible? How can we provide support in other ways (instead of spending \$\$\$ trying to challenge this proposed model)? If the goals of the exclusivity period are not met, the Commission will choose to extend the exclusivity period, so it is in everyone's interest to support the viability of the delivery licenses.

Recommendations:

- Recommend that the Commission reduce the excessive security requirements in two ways:
 - Remove the requirement for a second person to be in the delivery vehicle, reducing the labor costs associated with delivery
 - The Massachusetts Cannabis Association for Delivery (MCAD) has also included this in their petition and recommendations to the CCC
 - Remove the requirement for body cameras, eliminating the costs for equipment and data storage
- Lobby for and support [S. 2650](#) - the pending legislation that would create a Social Equity Loan Fund to provide no-interest loans for SE businesses to assist them with capital requirements/startup costs. The money would come from a portion of the cannabis excise tax matched 1:1 by private contributions. Proponents of this bill are also calling for the inclusion of "grants" and/or automatic loan forgiveness.
- Help Wholesale Delivery License businesses with the costs of initial inventory in some way, so they don't have to sink a ton of capital into purchasing inventory in order to get their business off the ground:
 - Offer access to higher volume pricing tiers (without having to meet the minimum order quantity)
 - Offer product on "Terms" instead of COD
 - Offer product on consignment ('pay as you sell')
 - In order to mitigate the risks, wholesalers could seek out and pay for some kind of "Consignment Liability Insurance" or "Purchase Order Liability Insurance"
 - If this doesn't exist, approach existing cannabis-specific insurance companies about creating this kind of policy
 - If none are willing, Lloyd's of London will insure anything - and they offered the first product liability insurance for a marijuana product (Bhang chocolate)

Limits on the Size/Scale of *Both* the Wholesale Delivery and Limited Delivery Licenses

It's in everyone's best interest to put guardrails in place to prevent monopoly-like activity and market consolidation. There are companies out there whose strategy involves entering a

market, undercutting prices and carrying that loss until others are out of business, and then slowly creeping prices back up to “price realize” and capture the market. This cannot be allowed to happen in the cannabis industry. We want to see more businesses open, more disadvantaged businesses joining the industry, more opportunities for those who want them rather than a couple of major players

The existing regulations already have guardrails in place against monopoly-like activity for most other license types - the limitations around direct and indirect control found in 935 CMR 500.050 (1)(b): Control Limitations. However, a cap of three total licenses does not go far enough when it comes to the proposed delivery licenses. A brick and mortar Marijuana Retailer is naturally limited by geography, and how far someone is willing to travel to visit a dispensary, including considering competition from nearby brick and mortar dispensaries. However, the delivery license type is mobile and unhindered by geography, so a cap of three licenses is insufficient. If there are no further guardrails, a company could wield their scale and capital to build an unlimited fleet of vehicles, and unlimited staff, and a massive warehouse - allowing them to undercut the rest of the delivery market and put competition out of business. One company with three delivery warehouses strategically placed throughout the state could capture the market with enough funding and a large enough fleet. If this is allowed to happen, we could end up with a few large players that put most others out of business and monopolize the market.

It cannot be ignored that without a limit applied to both delivery license types, the same back-door opportunity for monopoly-like activity would exist for the Limited Delivery License holders. Even if they have to wait until after the exclusivity period is over, a company that owns a brick and mortar retail store could also get their own Limited Delivery License. They would then be able to access wholesale pricing on inventory through their brick and mortar retail business, and pass that savings along to themselves in the agreements and transactions/transfers between their Retailer license and their Limited Delivery License. Again, with no further guardrails and an unlimited fleet, the same opportunity for price manipulation and market consolidation would be available to the LDL licensees. Therefore any limit on the size/scale of the Wholesale Delivery License should also be applied to the Limited Delivery License.

Recommendations:

- Put a limit/cap on the scale of Adult Use Delivery licenses, applied to both the Limited Delivery License (exempting medical deliveries) and the Wholesale Delivery License
 - A limit/cap could be measured by one of the following parameters:
 - Number of delivery vehicles (5 vehicles per license?)
 - Volume of product (pounds of flower per year correlated to what the highest tier of cultivation could produce, as an upper limit)
 - Square footage of warehouse space
 - Mileage/area distance radius from warehouse
 - County/District borders

Third Party Technology Platforms

The [MCAD delivery applicant association petition](#) is calling for banning third-party tech platforms from owning any portion of a delivery company in an effort to prevent a technology company from having too much control over the market. Third-party tech platform companies should be just that - third party. The control limitations as written do not go far enough to guard the industry against a third party tech platform that could seek to own or directly/indirectly control many delivery companies while controlling the platform on which they do business. We would recommend serious consideration of this issue.

A third-party tech platform which uses a business model that charges fees based on a percentage of each transaction, is essentially receiving a percentage of all revenue from a delivery licensee. So, the argument could be made that a third-party tech platform charging based on a percent of transaction revenue, without additional guardrails, constitutes control over a delivery licensee. Instead of a percent of revenue, a tech platform could charge a subscription fee, or a SaaS (software as a service) fee, a flat rate fees, A percent of revenue paid to the third-party tech platform company, translates to an even higher percentage of a delivery licensee's profits once expenses are accounted for. Earning 10% or more of profits constitutes direct control per the regulations. We recommend clarifying that the agreements between a third-party tech platform and a delivery company may not be exclusive. If an agreement is exclusive, then what the third-party tech platform company gets paid is directly tied to the licensee's revenue, and an exclusive agreement could be considered to constitute control.

Another aspect of this issue is considering a cap on the delivery fees that a third-party tech platform may charge. In the food industry, restaurants are currently fighting for a cap on the delivery fees that companies like Uber Eats, GrubHub, DoorDash, etc. can charge. The rates have been steadily increasing and with no ceiling, and the restaurants are the ones losing margins and leverage. For percent-of-transaction based business models, we would suggest a delivery fee cap of 2% (at most, 5%) of the transaction amount in order to protect Delivery Licensees now and in the future. However, as discussed above, this percentage of revenue will translate to an even higher percentage of the profits after expenses are accounted for, so the Commission should look at this closely to ensure that third-party tech platforms have guardrails in which to operate without violating control limitations.

Recommendations:

- Consider issues of control with respect to third-party tech platforms
 - Consider banning third-party tech platforms and their affiliates from owning any portion of a delivery license, as recommended by both the CDA and MCAD organization delivery applicants
 - Require all agreements between a delivery licensee and a third-party tech platform company be non-exclusive
 - Consider percent-of-transaction revenue models, and whether this violates control limitations
 - Percent of transaction fees - a percent of revenue - translates to even higher percent of profits after expenses have been accounted for. For example:

- A \$200 retail value delivery sale; estimated \$100 cost of goods/expenses; 5% third-party tech platform delivery fee
 - \$200 revenue x 5% fee = \$10 delivery fee
 - \$200 revenue - \$100 COGS/expenses = \$100 profit on that transaction
 - \$10 is 10% of \$100, so by charging a 5% delivery fee, the third-party platform ends up with 10% of the profits - this would constitute “direct control”
- Place a cap on the delivery fees that a third-party platform may charge
 - 2% of transaction (at most 5% of transaction)

Implications re: Taxation - local option tax and HCA funds/Taking business away from brick and mortar retailers

A major objection to this proposal is the taxation implications with respect to local option tax and Host Community Agreement Community Impact Payment Funds. There is concern among municipalities that they will be “losing out” on revenue from these sources if the Wholesale Delivery Licensee is allowed. The idea is that the existence of a Wholesale Delivery License will consolidate tax and HCA revenues to certain municipalities that are more strategically located for a WDL licensee warehouse, and that these delivery sales will siphon sales away from brick and mortar retailers, thereby consolidating the tax and HCA revenue into fewer municipalities, resulting in lower-than-projected revenues for municipalities with existing brick and mortar retailers. If there are no additional guardrails on the scale of both WDL and LDL licenses and market consolidation is left unchecked, this would be a valid concern.

However, this concern could be mitigated through limiting the size/scale of LDL/WDL licenses along with small shifts in business strategy. Brick and mortar retailers could shift their marketing strategies to put additional focus on the retail store as an experience destination, as well as focus on products that are only available in brick and mortar dispensaries, such as frozen, refrigerated, or perishable products. Additionally, the hemp-derived cannabinoid market presents an opportunity for a whole new additional channel for marijuana businesses. Currently, a flaw in state law makes it illegal for CCC-licensed businesses to source, formulate with, or sell any cannabinoids that were produced under a legal hemp license. MGL 94G 12(f) states that CCC-licensees may only utilize cannabinoids that were also grown, produced, and tax under a CCC license. In order for both the marijuana and hemp ‘sides’ of the industry to truly be functional, there needs to be some overlap and allowance for marijuana establishments to source, formulate with, and sell hemp-derived CBD products. While it may seem like an unrelated issue to the delivery conversation, this presents a potential holistic revenue solution, a new channel that would result in increased sales that can offset the impact of potential consolidation of local revenue away from existing brick and mortar stores.

Recommendations:

- Limit the size/scale of LDL/WDL licenses to promote a greater number of businesses opening, that can spread out across the state vs consolidation into only a few municipalities

- Lobby/advocate for opening an entire new channel of business for Marijuana Establishments - hemp-derived cannabinoids. While it may seem like an unrelated issue, there is a legislative change in the works to amend MGL 94G 12(f), which would allow CCC-licensed businesses to utilize hemp and hemp-derived cannabinoids grown under a state-legal hemp license.
- Business strategy - focus on the differences between the license types and adjust marketing strategies accordingly:
 - High foot traffic areas - focus on existing retail destinations and tourism, partner with hotels and travel companies
 - Focus on the dispensary as a destination for experiences
 - The shopping/budtender experience
 - Events, Workshops/classes
 - Different product types that may only be sold via brick and mortar
 - Frozen, refrigerated products
 - Non-perishable

Designated Retail vs Not Retail: Name of “Wholesale Delivery License”

A major concern brought up by the MCAD delivery applicant group, is that if the Wholesale Delivery License is to be considered a type of Retail license, applicants will hit a dead end when trying to site their businesses because most municipalities have already reached their caps for the amount of retail HCA’s they will give out. Thus, the MCAD group has been advocating for the Commission to *not* deem this a Retail license. In the draft regulations:

“A Marijuana Wholesale Delivery License shall not be considered to be a Marijuana Retailer under 935 CMR 500.002: Definitions or 935 CMR 500.050: Marijuana Establishments...”

Also:

“A Wholesale Delivery License is considered to be a Marijuana Retail License for purposes of license cap limits as outlined in 935 CMR 500.000: Adult Use of Marijuana. This provision shall not be construed or interpreted to indicate that a Wholesale Delivery License is a Marijuana Retail license unless otherwise specified by the Commission.”

While it is appreciated that the Commission is attempting to align with this request from advocates and applicants, and enable more options for siting Wholesale Delivery License businesses, this is confusing and it would also take an element of local control away from municipal governments. In any case - this license *does* operate like a retail license, and it’s likely that the Department of Revenue will agree. This would be a business that purchases goods at a wholesale cost, and sells to consumers at a retail price. This is retailing activity.

Rather than waste time and money on a legal challenge about whether or not this is a retail license, the industry would be better served by calling it what it is, and finding other solutions for siting issues. The most affordable warehouse spaces will not be in areas zoned for retail - so although this does operate as a retail license, it does not make sense to force Wholesale Delivery Licensees to site in areas zoned for retail. What makes the most sense is to

call this what it is - a "Delivery-Only Retail License" - and unite the industry in supporting local zoning amendments to allow for this specific license type to operate in manufacturing, industrial, or other appropriate zoning types rather than retail. Municipalities would also have the option, should they so choose, to further amend local rules to allow for HCA's to be awarded to a Delivery-Only Retailer even if their existing cap has already been reached by brick and mortar stores. Brick and mortar stores would have an advantage over delivery licensees in high foot traffic, high commuter/other retail consumer traffic, and tourist areas. The Delivery-Only Retail License type would have an advantage in manufacturing and industrial areas where warehouse space is more affordable. This is in alignment with the will of the voters with respect to local control. Brick and mortar and Delivery license types can peacefully coexist in the marketplace and, philosophically, creating a Delivery-Only Retail License is the right thing to do. It is the course correction that we need in order to create a fair and just regulatory environment for the industry.

Recommendations:

- Change the name of "Wholesale Delivery License" to "Delivery-Only Retailer"
- Call this what it is - a retail license - in order to:
 - avoid clashing with the DOR's determination,
 - avoid legal challenge from municipalities and corporate interests, and
 - maintain local control for municipal governments per the will of the voters in 2016
- Draft and support local zoning amendments to allow for this specific license type to operate in manufacturing, industrial, or other appropriate zoning types rather than retail zones
- Advocate for amending local rules to allow for HCA's to be awarded to a Delivery-Only Retailer even if their existing cap has already been reached by brick and mortar stores.

White Labeling and Repackaging:

If brick and mortar Marijuana Retailers are allowed to repackage, so too should a Wholesale Delivery Licensee/Delivery-Only Retailer. These are both retail licenses, and if one is allowed this activity, it should be consistent for both of these license types.

The regulations around White Labeling need some additional language in order to prevent unintended consequences. White labeling is an activity currently in practice by manufacturers - licensing the rights to brands from other states. For example, Revolutionary Clinics produces Mr. Moxies Mints; Bask produces 1906 brand edibles; GTI produces the Incredibles brand, and so on. Without further language around white labeling, a Wholesale Delivery Licensee/Delivery-Only Retailer would theoretically be able to license brand names from other states, or create new standalone brands and disrupt the market by circumventing the supply chain with brands that go straight to only their retail 'shelves'. It should be clarified that a delivery licensee may only white label with their company name - their Marijuana Establishment brand name. This allows for the creation of an in-house brand that bears a delivery company's

business brand name, but not all kinds of other brands they want to create or license from another state.

Recommendations:

- Allow Wholesale Delivery Licensees/Delivery-Only Retailers to repackage, consistent with what is allowed for brick and mortar retailers.
- Add language to clarify that a delivery licensee may white label with their marijuana establishment brand name only. For consistency, standalone brick and mortar retailers should also be able to white label, with their establishment brand name only.

October 14, 2020

To: Cannabis Control Commission

Cc: Sean Collins, Executive Director

Re: Public Comment Revised Delivery Regulations

Thank you for the opportunity to provide comment before commencing a final vote on the new regulations. On behalf of Weedmaps, I would like to particularly recognize the diligence taken by the Commission in considering the impact of these new regulations and for modifying them to enable a second license type permitting delivery license holders to both buy products at wholesale and warehouse them. Importantly, the Commission has wisely created regulations establishing an elongated exclusivity window for social equity and economic empowerment applicants.

We applaud the Commission for adopting these modifications and now seek to comment on a few remaining changes supporting successful implementation of a well-regulated and efficiently-run delivery marketplace.

Repackaging

500.002: Definitions

Marijuana Wholesale Delivery License or Wholesale Delivery License means an entity authorized to purchase at Wholesale and Warehouse Finished Marijuana Products acquired from a Marijuana Cultivator, Marijuana Product Manufacturer, Microbusiness or Craft Marijuana Cooperative, and sell and deliver Finished Marijuana Products, Marijuana Accessories and Marijuana Branded Goods directly to Consumers, but shall not operate a storefront under this license. A Marijuana Wholesale Delivery License shall not be considered to be a Marijuana Retailer under 935 CMR 500.002: Definitions or 935 CMR 500.050: Marijuana Establishments and shall be subject to 935 CMR 500.050 (1)(b): Control Limitations.

We strongly urge you to consider allowing Wholesale Delivery license holders the right to repackage cannabis products they purchase wholesale. The Commission should be compelled to make this change given the financial impacts this will have throughout the supply chain. From a financial perspective: the labor and materials necessary to package cannabis into consumer-ready portions, will force wholesalers to sell products to delivery licensees at a higher cost than they would to a brick and mortar dispensary. Subsequently, the delivery licensee who is paying a higher price for pre-packaged cannabis products will then need to inflate their retail prices, ultimately impacting the consumer. [Dan Adams from The Boston Globe](#) recently reported that Massachusetts already has some of the most expensive legal cannabis in the entire country. Prohibiting repackaging will have ripple effects on the supply chain potentially pushing consumers exclusively into brick and mortar or the unregulated market where product continues to exist untested, untaxed and at a much lower cost.

Cannabis sales, and especially cannabis delivery, are new in the Commonwealth and businesses can not yet predict what demand looks like as it relates to the portions consumers will buy. Requiring delivery licensees to order cannabis in pre-weighed and packaged quantities will create scenarios where supply is available but not in the form that meets consumer demand. For example, at the end of a month a delivery business could have a surplus of remaining inventory because the market demand was for eighths rather than for ounces and therefore, the unsold pre-packaged ounces will age and orders for eighths will remain unfulfilled. Additionally, pre-package requirements increase the amount of waste from spoiled product and from excess use of packaging, which will likely run contrary to any efforts regarding environmental protection.

The training for repackaging exists and delivery employees can be trained to repackage safely just as brick and mortar employees have been trained. We have written before about some of the financial burdens of the delivery regulations that will make it harder for these businesses to succeed and believe that requiring them to purchase pre-packaged cannabis products is another example of an unnecessary financial burden that further makes it difficult for these businesses to succeed vis-à-vis other license types.

One Driver

500.110: Security Requirements for Marijuana Establishments (8)(c)

Delivery Licensees or Marijuana Establishments with a Delivery Endorsement transporting Marijuana and Marijuana Products for home delivery shall ensure that all vehicles used for deliveries are staffed with a minimum of two Marijuana Establishment Agents. At least one Marijuana Establishment Agent shall remain with the vehicle at all times that the vehicle contains Marijuana or Marijuana Products.

We appreciate and respect the Commission's commitment to accounting for public safety throughout cannabis regulations and believe that the delivery regulations are sufficient in this regard so much so that the requirement for two drivers per delivery vehicle is excessive. Delivery vehicles are unmarked, drivers wear body cameras and have GPS tracking technology; the requirement for a second driver to remain with the vehicle will do little to add to these safety precautions and simply create an additional cost burden on the delivery licensee.

Nomenclature of License Types

500.002: Definitions

"Marijuana Limited Delivery Licensee or Limited Delivery Licensee"

"Marijuana Wholesale Delivery License or Wholesale Delivery License"

We believe straightforward and simple names will go a long way to aiding the development of the cannabis industry. This Commission knows better than anyone about the complexity of cannabis regulations and understands the need for making their work accessible to the public.

Under the Definitions section of these regulations, it states:

“Wholesale means the Transfer of Marijuana or Marijuana Product between Marijuana Establishments.”

This definition makes perfect sense and thus a “Wholesale Delivery” license type seems to suggest it allows a license holder to sell cannabis products at wholesale. It is important municipalities are able to immediately understand the difference between license types and therefore we suggest changing the nomenclature to remove any ambiguity. For reference, in California, the delivery license type that enables license holders to buy products at wholesale and sell without a storefront is called a “non-storefront retailer.” We believe that this is clearer and will paint a better picture for municipalities considering license adoption. Similarly, “limited delivery” does not say much about the privileges of the license type whereas using the word “courier” a word often used in describing this license type, immediately provides a clear definition.

Conclusion

Delivery regulations have vastly improved thanks to the thoughtful consideration of this Commission. While we don’t mean to nit-pick, we believe that these changes will enable municipalities to approve these license types as well as create an environment for new delivery businesses to succeed, ultimately, supporting the mission to establish equity in the Commonwealth’s nascent cannabis industry.

Thank you for your consideration and your dedication to getting this right. If your staff or you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

Lizzie Kirshenbaum



Weedmaps



ECONOMIC EMPOWERMENT PRIORITY APPLICANT (EEA202380)
DELIVERY LICENSE PRE-CERTIFICATION (PDOA103161)

**PUBLIC COMMENT ON MARIJUANA DELIVERY REGULATIONS
OCTOBER 2020**

The Limited Delivery License type proposed in this body of regulations presents one of the greatest economic opportunities with minimal upfront costs ever created in the cannabis industry. However there remains a lack of clarity on Limited Delivery Licensees being able to obtain white labeled products through Marijuana Retailers in this framework. White Labeling would present another unique economic opportunity for Limited Delivery Licensees. The changes necessary to the regulations are minimal and would act to further clarify the existing rights of Marijuana Retailers to repackage at their store location. As you know, Marijuana Retailers already have the ability to repackage Marijuana and Marijuana Products at their retail stores as per 935 CMR 500.140(10) (c). Delivery Agreements between Limited Delivery Licensees and Marijuana Retailers that include white labeling could be required to specify the process by which they white label. The Delivery Agreement in these cases could also require a process for removing the white labeling on a product if the product is returned by the Limited Delivery Licensee to the Marijuana Retailer.

Recommendation: The Commission should clarify Limited Delivery Licensees ability to White Label Marijuana and Marijuana Products through Marijuana Retailers in their Delivery Agreement.

SUGGESTED REGULATORY CHANGES

935 CMR 500.101(3)(g)(3): Limited Delivery License White Labeling

935 CMR 500.101(3)(g)(3) As part of the Provisional License application, a detailed plan for White Labeling, if applicable, which shall include:

- a. An image of the logo and name to be used as part of the label;

- b. An indication of how the Marijuana Retailer with which the Applicant has entered into a Delivery Agreement with intends to repackage and label at the Marijuana Retailer location; and
- c. Identification of the Marijuana Establishments from which the Applicant anticipates entering into Delivery Agreements, if known. If unknown at the time of Provisional License application, the Applicant shall be required to identify the Marijuana Establishments prior to Final Licensure.

935 CMR 500.103(1)(h) To the extent that an Applicant for a [Limited Delivery License](#) or Wholesale Delivery License decides, following the submission of the Application for Provisional Licensure but prior to receiving Final Licensure, that the Applicant will engage in White Labeling, the Applicant shall submit the information required by [935 CMR 500.101\(3\)\(g\)\(3\)](#) or [935 CMR 500.101\(3\)\(h\)\(4\)](#) to the Commission. The Executive Director shall determine whether the submission satisfies the requirements of [935 CMR 500.101\(3\)\(g\)\(3\)](#) or [935 CMR 500.101\(3\)\(h\)\(4\)](#).

935 CMR 500.105(5)(a)(10) 935 CMR 500.105(5)(a) shall apply to Marijuana packaged as a Finished Marijuana Product for purposes of [Limited Delivery Licensees purchasing products from a Marijuana Retailer](#) or Wholesale to a Marijuana Wholesale Delivery Licensee for delivery to Consumers, provided that the [Marijuana Retailer](#), Marijuana Cultivator, Microbusiness or Craft Marijuana Cooperative is responsible for compliance with 935 CMR 500.105(5): Labeling of Marijuana and Marijuana Products for all Marijuana intended to be obtained [through Marijuana Retailers](#) or wholesaled for delivery to Consumers by a Marijuana Wholesale Delivery Licensee. [White labeling of Finished Marijuana Products obtained from a Marijuana Retailer by a Limited Delivery Licensee for delivery to consumers, patients, or personal caregivers will be performed by the Marijuana Retailer Licensee at the Marijuana Retailer location, provided that white labeling is explicitly authorized by the Commission under the specific Marijuana Limited Delivery License and reflected in any Delivery Agreement.](#) White labeling of Finished Marijuana Products obtained wholesaled from a Marijuana Cultivator, Microbusiness or Craft Marijuana Cooperative for delivery to consumers by a Marijuana Wholesale Delivery Licensee may be performed by either Licensee,

provided that white labeling is explicitly authorized by the Commission under the specific Marijuana Wholesale Delivery License and reflected in any Wholesale Agreement.

935 CMR 500.140(11)(c) Policies and procedures for White Labeling on behalf of any Marijuana Limited Delivery Licensee. Marijuana Retailers shall retain all Delivery Agreements entered into with Marijuana Limited Delivery Licensees and shall make them available to the Commission upon request.

935 CMR 500.140(16) Undeliverable Marijuana and Marijuana Products. Any Finished Marijuana Product that is undeliverable by a Marijuana Limited Delivery Licensee or is refused by the Consumer shall be transported back to the originating Marijuana Retailer that provided the product once all other deliveries included on a delivery manifest have been made. The Marijuana Retailer shall ensure that a Registered Marijuana Agent remains at the premises to receive any undeliverable Marijuana or Marijuana Product from Marijuana Limited Delivery Licensee. A process for ensuring that undelivered Marijuana and Marijuana Products can be returned to the Marijuana Retailer by the Limited Delivery Licensee shall be a term of the Delivery Agreement. An additional process for ensuring that undelivered Marijuana and Marijuana Products are repackaged in order to remove any white labeling must be instituted by the Marijuana Retailer in the terms of their Delivery Agreement.

935 CMR 500.140(17) The Marijuana Retailer engaged in the White Labeling of Finished Marijuana Products for a Limited Delivery Licensee shall comply with the labeling and packaging requirements under 935 CMR 500.105(5): Labeling of Marijuana and Marijuana Products and 935 CMR 500.105(6): Packaging of Marijuana and Marijuana Products prior to delivery to Consumers.

(1) The Delivery Agreement between a Limited Delivery Licensee and the Marijuana Retailer from which they are obtaining Marijuana and Marijuana Products shall clearly indicate the Marijuana Retailer licensee from which the Finished Marijuana Product(s) are being obtained shall be responsible for White Labeling on behalf of the Limited Delivery Licensee.

(2) The Marijuana Retailer shall obtain the written authorization of the Commission prior to commencing White Labeling for a Limited Delivery License.

(3) The Limited Delivery Licensee may submit the label to be used for White Labeling to the Commission in accordance with 935 CMR 500.105(7): Packaging and Labeling Preapproval.

Conclusion

The Limited Delivery License type needs to be nurtured by the Commission. What is needed now is the framework on how Marijuana Retailers can White Label Marijuana and Marijuana Products in accordance with applicable packaging and labeling regulations for Limited Delivery Licensees. Marijuana Retailers already have the ability to repackage Marijuana and Marijuana Products at their locations. The Commission's regulations should encourage Limited Delivery Licenses to collaborate in new and creative ways with Marijuana Retailers such as White Labeling. Regulators should always develop a framework that allows the most flexibility for economic expansion while encouraging the business participants to be innovative while remaining compliant. The job you have done as a Commission with the Limited Delivery License is already amazing and extremely encouraging. With additional clarity on how to White Label through a Marijuana Retailer, the Limited Delivery License type will be made even better and its economic future even brighter. Thank you for your consideration.



Michael Latulippe, CEO of Justness, Inc.

This public comment was composed by Michael Latulippe for his company Justness. Michael lives in Salem, Massachusetts and can be reached at michael@justness.org.

Matt Giancola

From: Dave Johnson <dj@grassp-it.com>
Sent: Friday, October 2, 2020 4:59 PM
To: Cannabis Control Commission
Subject: Draft Delivery Regulations

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Tracked To Dynamics 365

Hello,

I am submitting a public comment regarding delivery regulations and specifically, the regulation that requires two people to be in the delivery vehicle.

This is an unnecessary and very costly regulation. We have operated a legal cannabis delivery business in many legal states and have never had an issue with driver safety. We use tracking technology that allows visibility and safety throughout the entire delivery chain, we know as soon as an order has been completed and no other delivery service in the nation, requires two people to be present.

Alcohol delivery and Opioid delivery all require only 1 person in the vehicle and Cannabis Delivery in MA should be treated the same. This will create a hardship for Social Equity Applicants to get profitable. Not only will it double the payroll, it will double the cost of insurance, which is already extremely high.

Please make this very important adjustment, to ensure the business success for Social Equity Applicants. Thank you for your time and consideration.

Respectfully,
Dave Johnson

--



Dave Johnson
Founder
C: 310.741.8084
Grassp.Health



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Matt Giancola

From: jeffrey Herold <jeffherold123@gmail.com>
Sent: Thursday, October 8, 2020 1:29 PM
To: Cannabis Control Commission
Subject: Proposed Delivery Regulations

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Tracked To Dynamics 365

Hello,

I would like to request Veteran Business Enterprises be added to the pool of applicants for these license types.

As the economy continues its rebound from the shock of COVID-19, the unemployment rate for all veterans is 6.8% up from 6.6% in August. Compared to one year ago, there are about 700,000 more veterans unemployed.

Veterans unique backgrounds and experiences make them ideal for this license type.

Jeff Herold
5 Wadsworth Ave, Revere, MA 02151