

From: [Dru Malone](#)
To: [Marijuana, CED ABC \(CED sponsored\)](#)
Subject: Public testimony
Date: Wednesday, January 19, 2022 10:01:46 AM

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In the state of Alaska, buy my count, there are over 100 independent limited cultivation licenses. By independent I mean cultivation licenses that do not have any interest in another license types.

Alaska has one of the smallest license types available in the country. At first glance this looks like a good idea. It gave individuals the opportunity to enter the market at a relatively low cost and at the same time draw growers out of the black market and into the legal market. But more importantly this license type could allow Alaska to develop a unique cannabis market. One that is supplied by many small independent growers that contribute an incredible variety of high quality products to the consumer. But the reality is that this license type is becoming a road to nowhere for many independent cultivators. This is because of the regulatory framework that was designed or more aptly described as copied from other states.

Although I think there are quite a few troubling regulations, one that has been pernicious is the ability to hold 3 of the 4 lic. types by one person or business, or commonly called vertical integration. When vertical integration was allowed by the state it set the stage for what is happening today. That is, a system that creates gate keepers who can put their financial interest above others in the industry without recourse. This is pushing the consolidation of the industry into a handful of entities. In effect creating an oligopoly that can restrain others from accessing the market.

Let me be clear. I do not fault anyone for working within the regulatory framework. These are the rules as set forth. It is most definitely the fault of the laws and regulations put in place originally and some of those adapted since that has put independent cultivators at a disadvantage. A recent example, the change in the harvest batch size for testing. Originally every 5 lbs of a harvest needed to be tested. That was changed to 10 lbs effectually cutting testing cost in half for larger harvests, which are predominantly standard cultivators. But many limited cultivators are graft growers. Their harvest batches are on the smaller size, more like 2 to 6 lbs. So a harvest batch of 10 pounds cost around \$240 to test but the equivalent weight can cost a craft grower \$480 or more to test.

So what does all of this mean to someone holding or in process of obtaining a limited cultivation license? It means literally that if you cannot make a sale to a retail store or as a last resort to a processor, which is a money losing avenue, you are locked out of the market place via regulation. It means that THC %, quality or price will not necessarily garner a sale. As one buyer told me “why would I buy your product if I have my own product I can’t sell.

With all this taken into account what product the vertically integrated entities are willing to purchase from independents is subject to percentage and price constraints that the gate keepers to the retail market can impose. If they are willing to purchase at all. But let me stress again this is not the fault of these vertically integrated entities. They are only operating within the regulatory framework. The framework is the problem.

It is up to the regulators to resolve this out of balance issue. As stated in a recent Daily News article by a vertical integrated entity “ we want to cut out all of the middle persons.” What this statement ignores is that between the plant and the consumer everyone is a middle person. What they are saying is that they want to be the only middle person.

So it seems clear the board needs to act and act quickly to prevent the very real possibility that a sizable number of the independents will fail. And they will fail not because of poor business practices or poor quality product but simply because they do not have a chance to access the market.

So what could be the possible solutions? Well I see a four possible solutions. The two best ones are ~1) to give the same rights to independent cultivators that are given breweries under the alcohol regulations. That is the ability to sell product grown on site to the general public without an additional license. Not a retail store but the ability to sell flower grown only in their independent cultivation facility. This limited access would complement sales to retail stores and give a safety valve to independents that would open an avenue for the sale of products that the retail stores will not purchase.

I know some of the vertically integrated entities want to work with limited cultivators. Because we can bring some unique products to the table and enhance there product line. And I applaud them for that but this an opportunity that few will have.

2) would be to allow independent cultivators to create cooperative grows where shares of a grow can be sold to individuals, without an extra license. Again this would be access to a limited portion of the market, not open access. This option, I feel this would have been allowed under the rules set forth in the original initiative so would not be a stretch for the board to implement.

Let me finish by repeating what another limited cultivator said to me back when licenses were just starting to be issued. Back when the talk was about how much money there would be in the industry. “I do not want to get rich,” he said “I just want to earn a decent living.” I believe that is the feeling of most independent limited cultivators.

I am calling on the board to acknowledge this situation and act to help create a uniquely Alaskan industry by quickly working towards a meaningful Solution.

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Dru Malone
Lightning Strike Organics
9400 Old Seward Highway
Anchorage, AK 99515
907-602-0096

From: [Dru Malone](#)
To: [Marijuana, CED ABC \(CED sponsored\)](#)
Subject: April meeting
Date: Tuesday, March 1, 2022 12:18:24 PM

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Good day,

I would like to be put on the agenda for the April meeting to discuss regulations affecting limited cultivation licenses.

Dru

--

Dru Malone
Lightning Strike Organics
9400 Old Seward Highway
Anchorage, AK 99515
907-602-0096

From: [Marijuana Licensing \(CED sponsored\)](#)
To: [Marijuana, CED ABC \(CED sponsored\)](#)
Cc: [Marijuana Licensing \(CED sponsored\)](#)
Subject: FW: Chugiak/Eagle River Marijuana Retail
Date: Wednesday, February 2, 2022 8:36:52 AM

From: Daniel Jensen <jensen1331@gmail.com>
Sent: Tuesday, February 1, 2022 2:42 PM
To: Marijuana Licensing (CED sponsored) <marijuana.licensing@alaska.gov>
Subject: Chugiak/Eagle River Marijuana Retail

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Hello,

I am writing in support of establishing a regulated marijuana retail business in Chugiak/Eagle River including the required setback variance. Many years ago the people of Alaska voted to legalize recreational use marijuana. Chugiak/Eagle River (to my understanding) increased the setback requirements so as to make it impossible to develop such a business. It is time to move on. People can responsibly use marijuana. It is archaic to think otherwise.

Can you please confirm receipt of this e-mail?

Regards,
Daniel Jensen
Eagle River Citizen

From: [Sarah Lorimer](#)
To: [Marijuana, CED ABC \(CED sponsored\)](#)
Cc: [Jana Weltzin](#); [Brenda Mills](#); [Jennifer Johnston](#)
Subject: Licensing cap
Date: Wednesday, February 16, 2022 1:36:12 PM
Attachments: [Scanned-image-53.pdf](#)

You don't often get email from sarah@countrycannabisak.com. [Learn why this is important](#)

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To the honorable members of the AMCO board,
We just want to take a moment to thank you for the work this board is doing. We appreciate the dedication and hard work from all of you.

Please see attached letter concerning licensing caps.

Thank you,

Sarah Lorimer
Country Cannabis
907-947-8181

December 13, 2021

Honorable Members of the Alaska Marijuana Control Board,

Re: License Caps for the Alaskan Marijuana Industry

This letter is being written to you today in support of marijuana license capping in Alaska. We are the owners of Country Cannabis, located in the Matanuska-Susitna Borough. When choosing the location for our company, we made sure that we found a spot where we would not be surrounded by a multitude of marijuana facilities as the market is getting to a point of over-saturation. It is a well-known fact that Federal legalization is coming sooner rather than later. It is now that we fear that folks like us will be at a major disadvantage without license capping in our state, we urge you to seriously start considering the adverse effects that come with being re-active, we need a pro-active plan in place before it's too late. With the Federal legalization of marijuana comes the risk of Alaska falling into marijuana market over-saturation and the destruction of small businesses in our industry. When Federal legalization occurs, we fear that the State of Alaska residency requirement will be trumped by federal or constitutional law which means to us, that multi-million or even multi-billion-dollar corporations can swoop into our recreational marijuana industry and "wipe us out" so-to-speak. We need to stop this before it starts, we need to protect the blood, sweat and tears that we and so many others have put into our marijuana businesses.

Capping licenses now before federal legalization would protect current marijuana business owners in perfecting their business operations and strengthening their business models before federalization hits. As previously mentioned, once federalization does hit, license capping would prevent out-of-state businesses and large corporations from building "Cannabis Superstores" or similar in the local Alaska market, selling discount products at a loss (because they have the capitol to do so) while they wait out less capitalized local competitors to fail out of the market, and take advantage of the vacuum left behind.

License capping also increases the value of marijuana licenses by being scarce assets. Scarcity attributes a higher value to these licenses. What we don't want to see is our current licensing system continue to become weaker and diluted due to a lack of capping.

Like our fellow marijuana industry members, we personally have worked too hard and have come too far to see the value of our businesses fall because the state doesn't have a plan in place to cap marijuana licenses. Alaskans, at heart, have an entrepreneurial spirit. We strive to make our own way and to lift up other Alaskans. Please help keep that spirit alive in our industry and in our state overall by supporting marijuana license capping in Alaska.

Thank you for your time and consideration,

Sarah Lorimer & Jennifer Johnston

Licensees and Owners of Country Cannabis

A handwritten signature in black ink, appearing to read "Sarah Lorimer" followed by a large, stylized flourish that extends to the right.

From: [Klinkhart, Glen Edward \(CED\)](#)
To: [Craig, Carrie D \(CED\)](#)
Subject: FW: A Change in our Laws
Date: Tuesday, March 1, 2022 10:54:24 AM

Carrie,

Please put this in the MCB public comment file for the next meeting.

Thanks,

Klink

From: AMCO Admin (CED sponsored) <amco.admin@alaska.gov>
Sent: Tuesday, March 1, 2022 10:47 AM
To: Klinkhart, Glen Edward (CED) <glen.klinkhart@alaska.gov>
Subject: FW: A Change in our Laws

Hello,

Does this information go to you?

From: Alexander Harmon <alexanderharmon420@gmail.com>
Sent: Friday, February 25, 2022 9:24 PM
To: AMCO Admin (CED sponsored) <amco.admin@alaska.gov>
Subject: A Change in our Laws

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Good evening,

My name is Alexander Harmon and I am contacting you today with concerns about current laws and practices in the Cannabis industry of Alaska. This email has many specific changes (some being more detailed than others) and I hope you will consider them honorably and honestly. I would like to make taxation in the state more opportunistic for cannabis businesses instead of crippling, provide greater freedom to the citizens of Alaska, and provide a more beneficial allocation of tax funds. Please forward this email to the correct person if needed. Below is my proposal:

What I would change

Decrease Tax's

-No taxes

- Flat tax 7%
- \$50 per pound

What to do with the money?

- 50% Local small business 50% "Local farmers and homesteads fund"
- 50% "Alaskan Vocation Education Grant" 50% "Alaskan Agriculture and Farm Fund"
- 50% Local small business's 25% "Local farmers and homesteads fund" 25% "Alaskan Vocation Education grant"

leftover revenue from the previous year is disbursed to Alaskan municipalities and boroughs to help settle any outstanding debts and take on constructive projects for state and city growth.

(Committee)

Civil rights

- Fully Decriminalize
- clear and expunge all Marijuana/paraphinillia related items charges and records.
- release anyone imprisoned immediately for the breaking of any marijuana laws only with the exception of the charge combined with violence or other drugs/alcohol(DUI,DWI)
- Business consumption allowed. Any venue, bar or restaurant, or businesses similar to; may aquire a Cannabis Consumption permit with the fee of \$2500. The business must have an area zoned/walled/door sealed away from the general public unless the entire venue is THC friendly(which would be stated in sed business owners business model) with a ventilation system with low/no smell. -security

Private Use

- offers Full rights to a persons private property
- no maximum plant limit for personal use or
- 12 mature plants, 12 veg, 12 seed
- personal use cannabis needs to be protected and used responsibly with the courtesy of their surrounding dwellings and other persons in your home. Dont abuse it. A formal complaint can be filed for abuse of privilege and after 2 consecutive complaints and attempts to resolve the problem you will be fined \$300 on the 3rd attempt and forced to demolish all live cultivation in any stage of growth on the property. You will be fined \$250 for every time after the first demolition up to \$1000. After the \$1000 limit and 1 demolition you can be punished up to 30 days in jail and fined up to \$1000 w/no bail.

Conditions TO FILE A COMPLAINT

- Overgrowth of cannabis plant is plainly overly visible to the public and others around you.
- The scent of cannabis be of great measure in a populated area such as a neighborhood or apartment.
- rowdiness, excessive noise, disturbance of the peace
- invasion of natural wildlife and animal habitat.
- Cultivation activities disturbs another persons private property including animals, livestock, and

material possessions.

-operating in a way that could be potentially dangerous to you, a family member, resident, or close neighbor.