

MEMORANDUM

Date: February 10, 2015

To: ABC Board

From: Cynthia Franklin, Director, ABC Board

RE: CLMS (Coalition of Legalized Marijuana States) & Colorado Marijuana Symposium, January 12-16, 2015

The team attending the two conferences consisted of myself, Bob Beasley, Enforcement Supervisor for ABC, Sarah Oates, Licensing Supervisor for ABC, Lacy Wilcox, Deputy Legislative Director, and Harriet Milks, Assistant AG for the ABC. Ethan Billing, ABC board member, attended the conference at his own cost.

All 5 days of the two conferences were packed with meetings, speakers and tours. In all, the team heard from dozens of individuals and visited 4 marijuana establishments. We invited the Municipality of Anchorage team to the CLMS conference and on two of the tours. The CLMS conference attendance was limited to the Alaska team, the Anchorage team and a team of regulators and attorneys from Oregon. Investigator Beasley's report detailing each session and speaker is attached.

Lessons learned from the conference the team will apply in developing Alaska's marijuana regulations are as follows:

1. **Definitions.** It is vital to define all terms at the outset. While AS 17.38 contains a list of definitions, the definition of the term "marijuana" is problematic and contradictory and the new statute contains many undefined terms, such as "edibles".
2. **Edibles.** Colorado experienced significant problems with edibles upon recreational legalization. Many of the problems were created by Colorado's existing medical marijuana licenses. Alaska does not have medical dispensaries. However, emulating Colorado's new rules concerning edibles, including serving sizes and child proof packaging, will help Alaska avoid many of Colorado's bad outcomes around edibles.

Edibles should be defined as not including adulterated products. Adulteration is a process of removing a market ready food product from its packaging and spraying concentrated marijuana on the product. The product is then repackaged and sold as a marijuana "infused" product, or MIP. Many of the adulterated products sold in Colorado blatantly appeal to children, such as Little Debbie's or Hasbro Gummy Bears.

3. Hash oil and concentrate manufacturing processes. Colorado has had hash oil explosions in homes. Marijuana concentrates are specifically legalized in AS 17.38, but we can require a closed loop manufacturing process for licensees that will reduce the risks of explosions. Please note that depending on the authority given the ABC or Marijuana Control Board (if one is created) regulation of solvent processing of marijuana outside of licensed premises may be the domain of criminal law or local governing bodies.
4. Data. Everyone will want data. Establishing and maintaining an adequate database is vital. The funding for a database is contained in the FY16 budget.
5. Media. Media interest in marijuana regulation and marijuana-related topics in Colorado has not waned. The media will continue to be interested in all things marijuana. The department should expect a high level of media and public scrutiny of all marijuana related decisions and statements.
6. Local Government control and licenses. AS 17.38 anticipates broad local control in Alaska. In Colorado, each business has to have both a state license and a separate local license to operate. If one of the licenses is suspended or not issued, the business may not operate. Cities in Alaska are already inquiring whether they can require local licenses in addition to the state license for marijuana businesses. Nothing in AS 17.38 seems to prohibit this.
7. Marijuana rules outside of commercial licenses. Police, sheriffs and troopers in Colorado continue to struggle with understanding what is legal and what is not legal for marijuana. These difficulties are due to the overlay of regulation onto the presence of marijuana in the state controlled substances schedule. Alaska legislators must evaluate if they are going to keep marijuana as both a controlled substance and a regulated substance. By having the rules in two different places, the frustration and confusion effect for law enforcement officers is high. For marijuana to be truly regulated like alcohol, it must be removed from the controlled substances schedule and be subject to a single title containing all of the marijuana statutes and regulations in one place.