

From: [Mike Emers](#)
To: [CED MCB AMCO \(CED sponsored\)](#)
Subject: Comments for upcoming MCB meeting
Date: Friday, January 24, 2025 3:43:16 PM
Attachments: [Letter MCB 1.24.25.pdf](#)

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Dear MCB,

Please accept this letter as written comments for the upcoming meeting on Feb 5.

Thank you,

Mike Emers, Rosie Creek Farm



P.O Box 181
Ester, Alaska 99725
Alaska License 10005

January 24, 2025

**Marijuana Control Board
550 W 7th AVE, STE 1600
Anchorage, AK 99501**

Dear Marijuana Control Board,

As we approach another Marijuana Control Board (MCB) meeting I feel I need to speak out concerning the state of the industry from my perspective. As one of the first establishments granted a license in 2016, I've seen about all of the challenges and changes that we've faced growing together as a new industry. We hopefully no longer in a state of fear where strict regulations were deemed necessary to assuage the public or in a state of greediness where high tax rates seemed reasonable. As it has turned out, there are many unforeseen consequences of legalization that have muddied the waters in an already very complicated industry. Where I do applaud the MCB's recognition of regulation changes that were necessary for the industry, I do fear that you are not moving fast enough to move change forward before this legal industry disappears. I've heard it said by members of this board that it's a free market and we should sink or swim based on our business savvy and merits. I wish it were indeed a free market, however I feel that the State of Alaska with over-regulation and over-taxation has tied the industry's hands behind it's back and ironically emboldening and growing an illicit market that legalization was supposed to force out of business.

What follows are a few of my concerns:

Intoxicating Hemp

I'll admit we didn't see this coming but with the loophole in the 2018 Farm Bill. However, we see new products on the market, unregulated, untested, and not age-gated that is one of our biggest threats. Many people have told the board of it's

availability and inexpensive cost. Even though it's ubiquitous and hard to control, the State nevertheless needs to close any loopholes that we are able to. Bring all cannabis sold in the state (including industrial hemp) under the control of one agency to regulate it. Give AMCO and DOR enforcement powers to control and tax these unlicensed products and the sellers who make these available. The inexpensive costs and ease of purchase of intoxicating hemp are making it increasingly impossible for the legal, taxed, and regulated industry to compete.

Reduce license Fees

The \$7,600 we pay annually is excessive. Please support reducing these annual fees and change licensing to biannual. For a farm with very little money coming in during our growing season, I often have to choose between paying my excise taxes on time or paying the annual fee.

Support Excise Tax Reform

This is huge for the industry moving forward. Although a statewide retail tax failed in last year's legislative session, a new bill will hopefully be introduced soon. Please support any tax relief for the industry and consider a tiered system based on product value. Sellers of lower value trim bound for production should not have to pay the same tax as grade A product bound for top-shelf retail.

Metrc Issues

Tracking our industry from seed to sale is bound to be complicated, but there are some issues that need to be fixed still with our statewide tracking system.

Plant tags: There is no need for individual plant tags. We grow and tag 8,000 to 10,000 plants a season on our farm. We pay for them at \$0.50 each, we pay for shipping and then I pay my crew days to put them out in the field and then days to collect them at the end of the season and take them to the landfill. Since all that matters is the weight of a harvest batch, the individual tags are a costly waste of money and a cost to the environment. Please consider batch-tagging of harvests. The only one's benefiting from all those tags are Metrc.

Automatic algorithms: Just yesterday we had an issue because Metrc failed to change the testing status on just a few packages. These packages had been designated as "passed" by the testing lab. Some of these packages were linked to other packages bound for sale from one of our customers, a product manufacturer. The resulting domino effect affected hundreds of packages with a flip of a key and all those were unable to be transferred for sale costing my customer thousands of dollars. We were told that this was probably because something (we are not sure what), triggered an automatic locking in the testing status. This is unacceptable and this is not the first time that this has happened to the industry. There should be some flexibility on Metrc's part to right an urgent problem and there should not be such sensitive automatic triggers that allow this to happen.

These are but a few of my concerns. I know that the MCB has a tough job on it's hands and I applaud your efforts. But an overhaul of regulations and taxation needs to be addressed and quickly before we lose our legal and regulated market.

Thanks for your time,

A handwritten signature in cursive script that reads "Michael Emers". The signature is written in dark ink on a white background.

Mike Emers
Owner and Manager, Rosie Creek Farm
License # 4a-10005
907-347-1800

From: [Aaron Stiassny](#)
To: [CED MCB AMCO \(CED sponsored\)](#); [Lloyd Stiassny](#)
Subject: MCB Board Comments & Letter
Date: Tuesday, November 26, 2024 1:01:08 PM
Attachments: [20241122_132426.PDF](#)

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To the MCB Board,

I am sharing additional public comments to the MCB Mailbox via email. The attached letter from Lloyd Stiassny shares concerns with continued licensing as well.

Dear MCB Board Members;

At the November 20th meeting, I observed a reluctance to limit licensing. I understand the desire to support small businesses and encourage innovation and access to the industry for Alaskans; however it's crucial to remind ourselves that a regulated market is inherently different from a free market. A free market thrives on self-regulation and minimal government intervention. As a board member of AMIA and a license-holder, I support MCB board decisions to identify and reduce over-regulation and agree with MCB board members who support free market principles and want competition to dictate market success. However, our industry's reality necessitates strong regulations and enforcement to combat illicit activity.

Without strict adherence to regulations, bad actors can exploit the system, undermining the goals of legalization. We see evidence of this in below-market pricing and suspiciously large product inventories on industry platforms (LeafLink), suggesting the influx of cannabis from outside Alaska. Inversion of both intoxicating hemp and cannabis from other markets is happening. If we cannot effectively address these issues, we risk jeopardizing the integrity of our legal market.

As federal legalization approaches, it's vital to protect our industry from those seeking to exploit the current landscape. The MCB Board should consider historical context and exercise its authority to limit licenses, ensuring that new entrants are committed to operating within the legal framework and scrutinizing more closely when license transfers and ownership changes involve parties with past infractions and a failure to pay taxes.

I believe the Statute (Sec. 17.38.121(c)) provides the Board with the authority to limit licenses in the public interest. The language regarding the reduction of licensed premises can be interpreted to encompass limiting the number of licenses.

Furthermore, I urge the Board to advocate for a change in marijuana taxation at the State level. The current system with its three product types, is susceptible to manipulation and creates unfair opportunities for bad actors to pay less tax. A simplified tax structure with a single rate for "all parts of the plant" would create a fairer and more transparent system. I would urge the MCB board to review the past board actions with respect to the immature tax category and see

how this tax change was performed with support and implementation by the DOR.

I appreciate and am thankful for the opportunities this industry has afforded myself and all Alaskans. I'm a believer in States rights and hope more can be done on the regulatory front to prohibit outside influence from disrupting what this industry has created for Alaska.

Thank you for your dedication to the Alaska cannabis industry. Wishing everyone on the MCB Board a Happy Thanksgiving!

Sincerely,

Aaron

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Aaron Stiassny

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To the MCB Board of Directors:

The two subjects discussed at the AMCO Board meeting on September 12, 2024—enforcement and a license moratorium—are both critically important to the short- and long-term success of the cannabis industry in Alaska. These issues are deeply interconnected. While we operate in a free-market, capitalist economy, oversight and regulation are critical components of managing a challenging and easily disruptive industry. By not addressing a license moratorium, the Board is failing to address one of its primary responsibilities: monitoring, regulatory oversight, guidance, and action to maintain a safe, compliant, and healthy industry.

The cannabis industry presents unique challenges for business owners and operators. It is not yet federally legal, lacks the financial tools, banking, and lending options of other industries, and is highly taxed.

Continued open-ended licensing harms current license holders and creates an environment that incentivizes operators who manipulate regulations to survive. This creates enforcement problems and public safety issues. Without reasonable industry guardrails, it is difficult to invest in our businesses, employees, and communities without the growing risk of failure.

At the September 12th meeting, we also heard comments regarding the need for additional enforcement resources and concerns that the enforcement division is understaffed. Continuing to increase the number of license holders only places a further burden on enforcement. This needs to be addressed, and a license “pause” would certainly help.

We must do everything we can to keep the industry healthy, compliant, and safe for consumers. A pause that allows enforcement to catch up with the growing workload would be welcomed by those of us looking to grow and invest in a compliant, legal industry for many years to come.

An additional matter that I believe the Board needs to address and evaluate is the recent proliferation of modest structures that offer street access to cannabis consumers. I have seen them along the Sterling Highway on the Kenai Peninsula; they resemble coffee kiosks with drive-up window access. This style of “cannabis store” diminishes the value of our entire industry and increases access for underage Alaskans. We should all recognize the ease of securing a fraudulent driver’s license in today’s day and age. Drive-up kiosks significantly increase the risk of underage purchasing and consumption—something our industry and the AMCO Board should work to diminish.

The AMCO Board should follow the model of the alcohol industry, which has learned the hard way that strict rules, standards, and regulations are necessary. I don’t believe I have ever seen a small kiosk-style structure licensed to sell alcohol through a drive-up window. It would be terribly unfortunate if someone underage were to purchase cannabis illegally at a drive-up kiosk and cause a serious incident. Hopefully,

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this issue will not need to be addressed after the fact; we can greatly reduce the risk through better regulation. A retail cannabis store should require all customers to enter through the front door. This is the best barrier to underage purchasing and consumption.

Many of us who invested early in the industry took the licensing language referenced in regulations at face value. The language was specific in requiring an applicant who intends to operate a marijuana establishment to provide a "detailed diagram of the proposed licensed premises; the diagram must show all entrances and boundaries of the premises, restricted access areas, [and] storage areas." We invested in our facilities and created compliant spaces that fully met regulations. It is easy to cut corners, but ultimately, it is the industry as a whole that suffers. The AMCO Board is our backstop. We look to you for oversight of industry growth, accountability, and ultimately, success. Mistakes, when made, should be re-evaluated in the best interest of all industry operators. There is still time to rectify past errors and make progressive decisions for productive future growth.

I apologize for being repetitious, but I cannot emphasize enough the importance of a licensing "pause" to allow for a fair, reasonable, and compliant review of the industry. The timing is important. We will be faced with significant changes to the legal industry if cannabis is rescheduled in the near future and banking becomes accessible. These changes, coupled with tax reform, will stimulate additional interest in the industry. Should licensing proliferate, oversight and enforcement will continue to struggle. Industry value for current license holders will continue to decline, and we will certainly see increased black market, underage, and illegal activity.

The healthiest state cannabis industries today are those that have limited licensing and made every effort to maintain a healthy, compliant framework for license holders. Alaska should strive to be an industry model and take steps now to re-evaluate the industry's direction, with a clear focus on maintaining solid oversight and enforcement within a well-administered and regulatory framework.

We thank the AMCO Board for the work they do on behalf of all license holders and appreciate the thoughtful approach you have taken in overseeing the industry since its inception.

Sincerely,

Lloyd H. Stiassny, Owner