

**CALIFORNIA  
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# **VALUE OF ELECTRONIC CERTIFICATE OF ANALYSIS**

**Produced by the CCIA Distribution  
Committee**

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# VALUE OF ELECTRONIC CERTIFICATE OF ANALYSIS



## OVERVIEW

The California Cannabis Industry Association (CCIA) provides this analysis to address the significant value of allowing licensed distributors to accompany a batch with an electronic certificate of analysis (“COA”), instead of the required printed paper copy. CCIA bases this analysis on years of experience working with businesses within the commercial cannabis industry.

The BCC has acknowledged the unintended consequences regulatory provisions can have at the operational level. Disconnect inevitably occurs between the regulation drafters and operational licensees. We appreciate the BCC’s willingness to listen to these issues and address them in a way that increases efficiency within the industry.

## PROVISION OF CONCERN

Section 5306(b) of the BCC’s Permanent Regulations reads:

(b) When a batch from a manufactured or harvest batch passes, the cannabis goods may be transported to one or more licensed retailers, licensed distributors, or licensed microbusinesses. *A printed copy of the certificate of analysis for regulatory compliance testing shall accompany the batch and be provided to the licensee receiving the cannabis goods.*

(emphasis added).

## ANALYSIS

### An Electronic COA would Eliminate Significant Business Waste

To comply with the above provision, licensed distributors must carry a printed paper copy of each COA for every manufactured and harvest batch it transports. The amount of record keeping and paperwork a licensee is required to conduct is abundant. While CCIA understands the importance of efficient documentation for the newly-regulated industry, not all records are created equal.

After each batch sample is tested, the testing laboratories create its respective COA. The lab is then required to input the results within METRC and send it via email to the BCC. At this stage, a reliable, first-hand creation of the COA has been electronically established. This should be the last step in the creation/reproduction of a “passing” COA. Creating a paper copy is redundant and a waste of resources because it produces extra steps and results in a waste of time for the employee, business, and overall industry production.

Moreover, accidents happen. Tangible things get forgotten, lost, or destroyed, especially during transportation. If a COA incident occurs, a distribution employee needs to re-route back to its distribution facility to re-print an additional hard copy of the COA.

## An Electronic COA Supports the Digital Transition of the Industry

There are several reasons why the State and applicable local jurisdictions require licensed commercial cannabis businesses to enter all cannabis events within an electronic track-and-trace database.

1. Electronic data storage provides quick and easy accessibility. Locating a document or specific testing data can be done in a significantly less amount of time than following a paper trail or physical search system.
2. The possibility of forgetting or losing an electronic COA is significantly less likely to happen. Unless there is an entire wipeout of the State's METRC system, the COA will be accessible to the licensed distributor, no matter where the destination.
3. Electronic storage saves on business resources. This includes time, money, and actual paper products.
4. Electronic files are more commonly used within this industry, and overall business world. Physical paper files are becoming increasingly obsolete as electronic methods consume the alternatives.

Allowing licensed distributors to forgo the printed paper copy for all batches for all distribution routes would coincide with the rest of the industry's procedures, and eliminate an unnecessary task on licensed distributors.

## An Electronic COA Supports California's Environmental Objectives

California is a national leader in environmental law and policy. The BCC, along with the CDPH and CDFA, require all business projects to comply with the California Environmental Quality Act. Moreover, the industry works with major environmental departments, including the State Water

Resources Board and the Fish and Wildlife Department, to ensure minimal to no impacts from our operations. Thus, requiring a paper COA for every batch within the cannabis industry is entirely nonsensical. It produces an immeasurable amount of waste for a document that can be easily accessed and transferred.

## **RECOMMENDED SOLUTIONS**

Proposed Amendment to Section 5306(b):

(b) When a batch from a manufactured or harvest batch passes, the cannabis goods may be transported to one or more licensed retailers, licensed distributors, or licensed microbusinesses. ~~A printed copy of the certificate of analysis for regulatory compliance testing shall accompany the batch and be provided to the licensee receiving the cannabis goods.~~ *A licensed distributor shall have access to an electronic copy of the certificate of analysis for regulatory compliance testing which shall correlate with the transported batch. The licensed distributor shall provide an electronic copy of the COA to the licensee receiving the cannabis goods.*

## **CONTRIBUTORS**

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