



April 5, 2022

The Honorable Anna Caballero
Senator, 12th District
1021 O Street, Suite 7620
Sacramento, CA 95814

**RE: SB 1326 (Caballero): Cannabis: interstate agreements.
SUPPORT, IF AMENDED**

Dear Senator Caballero:

On behalf of the California Cannabis Industry Association (CCIA), I want to express our sincere gratitude for your steadfast commitment to addressing the important issues facing the legal cannabis industry. The introduction of your bill, SB 1326, represents a bold first step towards the development of a multi-state legal cannabis market that will inevitably help guide future conversations at the federal level.

While CCIA's over 400 members eagerly await the opportunity to participate in a national cannabis marketplace, concerns have been raised about the potential risks of enacting a framework authorizing interstate agreements for the lawful import and export of cannabis before we address some of the ongoing, systemic challenges undermining legal cannabis businesses in California. For these reasons, and after much debate and discussion, CCIA has adopted a support, if amended, position on SB 1326.

As currently written, SB 1326 authorizes the cross jurisdictional import and export to other states, of cannabis and cannabis products by authorizing the governor to enter into an agreement to provide lawful interstate commerce. This would allow the transportation and delivery of cannabis across state lines by cannabis producers and wholesalers.

It has been well documented that California's legal cannabis market is struggling. Many operators are being pushed to the brink and are fighting to stay afloat. At the same time, we are seeing the illicit market expand. Proposition 64 was intended to create opportunities for legal operators while working to subvert the illicit market. Unfortunately, we are far from achieving that reality. The industry also continues to be challenged by a lack of access to legal retail, excessively high and complex taxes, and costly regulatory requirements.

As our state prepares for federal legalization, it is imperative that we make every effort to advance policies that encourage sustainable economic growth for California's legal cannabis industry. To that end, CCIA respectfully requests that you consider amending your bill to direct the Department of Cannabis Control (DCC) to prepare an economic impact report on the state of the cannabis industry in California, prior to authorizing the governor to negotiate interstate agreements. The

report should include recommendations on how to strengthen California's position as it relates to other cannabis producing states and how to address compliance issues including integration with other state compliance systems. The amendment should further authorize the DCC to contract with a qualified third party if it's deemed necessary.

CCIA strongly believes a more measured roll-out, informed by a comprehensive economic report on the health and viability of California's legal cannabis industry will ensure that one of California's great heritage industries remains competitive on a national level.

We would be pleased to work with your office on developing bill language to accomplish these goals. Please do not hesitate to contact our legislative advocate, Amy O'Gorman Jenkins, at (707) 291-3270 or amy@precisionadvocacy.co.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in cursive script that reads "Lindsay Robinson".

LINDSAY ROBINSON
Executive Director