

Testimony In Opposition to L.D. 40

An Act to Protect Liberty and Advance Justice in the Implementation, Administration and Enforcement of the Cannabis Legalization Act and To Implement Certain Recommendations of the Subcommittee on Non-substantive Changes to the Maine Medical Use of Cannabis Act

Before the Joint Standing Committee on Veterans and Legal Affairs
March 4, 2024

My name is Ryan Ward, co-owner of East Coast Cannabis. We are a Maine company and member of CannabisME. We are 100% Maine resident owned and we hold no licenses outside of Maine.

While member(s) of your committee continue to talk about CannabisME as a group of MSOs or large out of state operators—which is fundamentally inaccurate and an attempt to tarnish our association—we are Mainers focused on good Cannabis policy that creates a sustainable market for all stakeholders. We want the Cannabis industry to thrive responsibly in Maine for the people and consumers.

We're legacy operators that transitioned into the adult use businesses since the start of that program in 2020. We're a vertically integrated company with well over 100 employees spread across 3 retail stores, our lab, kitchens and cultivation sites.

We need to ensure we keep seed to sale tracking, mandatory testing, and enforcement by the regulators, all of which LD 40 would jeopardize. Not only would it be detrimental to cannabis consumers and operators but also to our employees and people of Maine.

Our commercial banking services require clear tracking. As do our insurance policies. Both will be at risk here. The benefit packages we offer our staff will also likely be compromised without these vehicles. Also, we've worked really hard to keep our operations safe from cash handling. And although it may not be the intent of this bill – moving backwards to a cash system greatly increases risk to our staff (if banking is jeopardized) and fundamentally increases the chance of crime.

Insurance and banking aside; tracking minimizes movement of unregulated products. Illicit markets and Cartels, as we've seen in other states, are the largest competitor to legal operators and commonly puts them out of business...we believe this strengthens Cartels and illicit markets. This is a major issue that the committee should focus on going after the illicit market. Licensees are leaving the medical market because it is without tracking and testing, they are competing directly with illicitly grown cannabis, with wholesale prices well-below the cost to produce the product legally. As a legal business we want to be protected from illicit product being diverted into the market. Robust seed to sale tracking does that.

Unfortunately, we were not consulted in the drafting of the Sponsor's Amendment, and having only 1 week to work through the enormous issues is not realistic. It is especially unrealistic if there are amendment that could intersect or impact LD40 that has not even been published yet. We look forward to working with regulators, elected officials and all stakeholders to improve the adult use market, and we believe much improvement is needed. After hearing those in support, even by their own testimony, I think it clearly shows there is confusion and lack of clarity around many aspects of this bill.

As written I'd implore the committee to vote against LD 40 until it can properly be workshopped with all stakeholders, as passing this will have major unintended consequences.

At the end of the day, we believe in reform. This bill does not do it responsibly and furthermore greatly increases risk on operators, employees and strengthens the illicit markets.

We look forward to effective and limited regulations that protect all aspects of the Maine cannabis ecosystem

Thank you for your consideration.

Ryan Ward