

## Written Testimony in Opposition of LD104 & LD1847

Thank you for listening to us. Maine medical is an anomaly in the legal cannabis world. Small businesses compete on quality, price and service under a reasonable regulatory environment to directly satisfy patients needs. Sounds simple, right? The contrary is the standard across the country – large conglomerates unprofitably eat market share through regulatory capture and financial engineering while consumers are starved of quality and choice. Small business withers away.

LD104 & LD1847 will destroy the magic of innovation, quality, and access that is the Maine medical program and replace it with a blueprint of failure that's evident in every other state.

- METRC = ineffective, extractive, and wasteful
- Mandatory testing (in its proposed form) = inaccuracy, cost, and discriminatory business playing field

The programs current form is the best way to achieve 3 guiding principles: access and quality for patients, Maine's competitive advantage in the global industry, and a flourishing small business environment. These bills are antithetical to these principles.

The most damning fact regarding METRC is that it doesn't work. On April 4<sup>th</sup>, a former executive vice president has filed a federal whistleblower lawsuit alleging that they are "participating in a conspiracy" with the California DCC to allow unchecked "illegal interstate" cannabis sales. The allegations of this lawsuit are corroborated by anyone who is engaged – California and Oregon export bulk cannabis by the ton. These are METRC operators. Their system doesn't work.

The software itself is comically inelegant, requiring cultivators to attach costly plastic tags to every plant and manually input data as if we still used Windows 98. But why WOULD their product be good? They don't make money in a free market by serving customers with great products (like we do), they make money by convincing governments who are not domain experts to hand them a monopoly. This company would have you extract taxpayer funds to pay them to implement a burdensome, poorly designed system that ultimately fails at its only job. Do NOT be hustled by these frauds.

### Mandatory Testing:

We are not against testing in cannabis, but we are vehemently against inaccurate and costly testing that creates a discriminatory playing field for our business category. Mandatory batch testing disproportionately impacts small producers, creates an obvious conflict of interest between labs and cultivators that incentivizes cheating, and the tests themselves are not accurately differentiating between harmful and benign biological presence. These conclusions have since been verified by studies. An LA Times

investigation in 2024 that randomly tested both licensed and unlicensed cannabis products in the most highly regulated state (CA) found that license products were MORE likely to contain banned pesticides than its unlicensed counterparts, while the unlicensed products contained on average higher TYM. California has the most burdensome, broken and highly regulated cannabis system in the world, yet its products are NOT safer and it is the LARGEST diverter of legal weed in the country, and that is the exact system we want to replicate? The correct system is the same as all other agricultural products – third party, state run labs randomly testing products at the point of sale with a scaled corrective action program and clear guidelines and practices. Any other system is a burdensome and discriminatory tax on our industry that does not create better outcomes. Take tobacco, what is their testing requirements? Third party random tests with clear practices and guidelines. The largest producer of tobacco in the world is China, and the potential risk of harm to the public from the product is GREATER. If this bill were to pass, its a tacit statement that industrial agricultural producers of China deserve more favorable regulations to do business in Maine than the small farmers who pay taxes here.

The current program is a hub of innovation in the space, with a flourishing ecosystem of small businesses who compete day in and day out to serve patients on the basis of quality and access. Maine should be an innovator in the way we approach this new industry, creating leading practices that other states and federal governments follow, not copy and pasting their failed efforts. These bills would destroy that program. They ought not to pass.

Dylan Jurow – a cannabis business owner

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