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Good afternoon, I am resubmitting an email from Tuesday, May 25th with links. I'm sorry if many of you haven't had the opportunity to see it. I hope you are able to review the whole document as you consider the imposition of the tracking program and the accompanying rules, and that part of the issue with 'METRC' is actually the OMP's rules surrounding using it and what that requires.

Without reviewing the Proposed Rule it is hard to understand the scale of the complexity and liability introduced. But if you review that full 81-page document, I hope that it's clear enough.

Best practices: This policy position from the National Cannabis Industry Association provides a concise and well-supported critique of mandatory tracking models.

LINK

Re-thinking Cannabis Track and Trace Models — A Sustainable and Scalable Approach

<https://thecannabisindustry.org/committee-blog-re-thinking-cannabis-track-and-trace-models-a-sustainable-and-scalable-approach/>

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Our consensus group would like to provide the Committee with some materials that we believe help explain the intense resistance to the authoritarian surveillance and data-mining software called METRC that the OMP wants to inflict upon the Maine Medical Use of Marijuana Program without having done an economic analysis of its impact on small businesses. As a reminder, the OMP itself found that roughly 95% of Maine's caregivers fell under that statutory definition of small businesses in the Maine Administrative and Procedures Act.

In addition, we hope that Committee members will review the many hundreds of pieces of testimony from the rules public hearings and the testimony received in the VLA bill hearings in direct opposition to this specific item. Please consider that the OMP is not being honest with its dismissal of our claims--which are grounded in direct industry experience--that METRC as proposed will put hundreds of small caregivers out of business and for those who can managed will add thousands of dollars in direct costs and potentially thousands of dollars in lost sales as well (as occurred in California during a nearly two-week collapse in METRC servers).

LINK

<https://mjbizdaily.com/metrc-downtime-proving-costly-for-california-cannabis-companies/>

From the article:

‘Industry officials in California, however, complain that over the past two months, Metrc has been down frequently, with outages lasting up to nine hours at a time.

The downtime prevents cannabis growers, distributors, retailers and other businesses from performing basic functions, such as invoicing and making product transfers to other companies.

“It’s definitely weighing on folks. Causing a lot of heartburn,” said Colton Griffin, CEO of Flourish Software, a software company based in Los Angeles. “It’s a lot of extra hours and distraction and stress.”

License holders use Flourish to manage inventory and track purchasing, among other functions. When the system is down, cannabis companies’ employees are forced to input traceability data manually – for example, a grower selling pounds of flower to an extractor. That requires a dedicated worker who is specifically trained in data entry for Metrc software. Griffin estimates the impact in the thousands of dollars per company, more or less depending on the amount of business a company does.’

‘When the system is down’ is essentially what rural and particularly northern Maine experiences on a near-daily basis with the limited bandwidth available and frequent outages.

Overall, if you don’t believe the testimony of the hundreds of people who have spoken up on this issue, perhaps consider believing the National Cannabis Industry

Association, a trade group that represents most of the biggest operators in the country:

LINK

<https://thecannabisindustry.org/committee-blog-re-thinking-cannabis-track-and-trace-models-a-sustainable-and-scalable-approach/>

From the article:

‘Of course, it also further limits the competitiveness of the regulated market with the unregulated market, and the ability for policymakers to be confident that cannabis consumers in their states are obtaining taxed, tested, and regulated products.

Local governments are missing out on tax revenue, and businesses (both large and small) are forced to spend unnecessary resources on a system that is fundamentally flawed. The centralized model, contracting with one specific software provider, and mandating operators to use that software provider in order to stay compliant, is wreaking havoc on the entire U.S. cannabis industry and is not sustainable for a federally-legal and global supply chain.’

Further:

‘The centralized model is crippling the entire industry as system failures are occurring on a more frequent basis, and its after-effects are causing a more detrimental and wide-ranging impact as the industry grows at an exponential rate. Most recently, METRC’s integration functionality (how third-party business operations software communicates to the state’s system) was down for more than fourteen days in California, causing significant problems in the nation’s largest cannabis market. One software provider and its tag-producing partners are benefiting, while setting industry regulators and operators up to fail. One software provider cannot meet the current or future needs of regulators and operators, especially not on a national level.

Meanwhile, there are many excellent software providers that specialize in track and trace. The free market should determine the most efficient and user-friendly approach to allow businesses to stay compliant and accurately report to the appropriate regulatory authorities.’

Given this, we think the Committee should seriously consider why we would be welcoming this ‘mandatory’ system into our Program, especially as there have been serious issues of conflict of interest surrounding both the award of its contract AND the contract for writing the Adult Use and Medical rules. The same folks who make money off of METRC made money off of our program to write the rules that require it.

LINK

<https://www.ellsworthamerican.com/maine-news/political-news/new-contract-appeal-may-further-delay-maines-rollout-of-marijuana-sales/>

From the article:

‘But on Monday, BOTEK Analysis asked the state to stay the award of that contract and give it time to appeal, filing paperwork that said the state had unfairly scored BOTEK’s proposal in the second round. BOTEK also formalized an accusation that has been circulating for a week: that Freedman & Koski had failed to disclose “a very substantial and utterly obvious” disqualifying conflict of interest in its application for the consulting contract.

“Mr. Koski’s business relationship with METRC and this conflict of interest clearly required disclosure,” wrote attorneys Charles Dingman and Michael Smith of Preti Flaherty, which is representing BOTEK in its appeal. “If F&K has a contract to provide rulemaking consultant services to the state, then its co-founder, Lewis Koski, will be in a position to drive funds to a firm, METRC, from which he also derives income.”

The other member of that dubious duo, Andrew Freedman, now works directly for the tobacco and alcohol titans to worm their way into Federal regulation along these same lines.

LINK

<https://www.politico.com/news/2021/03/11/cannabis-coalition-legalized-marijuana-475258>

From the article:

‘The coalition includes tobacco giant Altria, beer behemoths Constellation Brands (Corona, Modelo) and Molson Coors Beverage Company, two national convenience store associations, the Council of Insurance Agents & Brokers, and The Brink's Company.’

“There are dozens of unanswered questions at this point,” said Andrew Freedman, executive director of the coalition and Colorado’s former cannabis czar. “Any one of which is enough to make anybody pause before they go forward with legalization. So we need to answer, definitively, all of these outstanding questions.”