

## **TESTIMONY IN SUPPORT OF LD 1242 "An Act To Ensure Appropriate Oversight of Maine's Medical Marijuana Program"**

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Chairman Luchini, Chairman Caiazzo, and members of the Veterans and Legal Affairs committee, my name Paul T. McCarrier of Monroe, Maine and the Maine Craft Cannabis Association. I operate a cultivation facility, retail store and product manufacturing caregiver business in Waldo County that employs nine Mainer's, eight of whom live in Waldo county. Seven of them are graduates of either Belfast Area High School or Mount View High School. One had spent most of his juvenile and adult life incarcerated, but now has repaid all his restitution, completed his probation, owns his own truck, and has a beautiful baby girl. The Medical Marijuana Program has given me the chance to offer these locals good paying jobs, where they grew up, so they can stay close to their families.

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I am testifying in support of LD 1242, which will tap the brakes on the proposed rule and give all parties a chance to work with the Mills administration to come up with rules that work for all stakeholders. **This major substantive change to rules that caregivers, patients and dispensaries have been operating under since 2018 is not supported by any data the department has provided to date.** The Office of Marijuana Policy (OMP) states on its website under its "Mission, Vision and Values, #4 ' Strive to be transparent and clearly communicate with the public and stakeholders.' This begs the question, where is the data that supports the need for these major, substantive changes to a program that is successfully operating, being tax compliant (Over \$220 million in sales in 2020 declared with no track and trace system), and employing over 7,000 Mainer's directly and tens of thousands in ancillary services. This is why we need you, the legislature, to clearly state what you believe should be the regulations for the thousands of these small businesses in the state.

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This important bill will tap the brakes on potential regulations that will cause serious economic hardship to the 75 of caregivers in Waldo county and push patients to the black market by requiring them to:

1) Spend anywhere between \$40,000 - \$100,000 to comply with testing, tracking, security and additional regulatory requirements. This includes 24 hour video surveillance covering every corner of the facility that must be saved for at least 30 days(*I have spent \$30,000 with SeaCoast Security for my shop, kitchen and cultivation to meet these proposed requirements*), the METRC system and its tags(*Hundreds of dollars a week in tags*), a Point-of-Sale(POS) system to interface with METRC(*I have been harassed by LeafLogic to buy their POS system, which feels more like a mobsters threatening shake down instead of a sales call*), additional staff time to comply with the proposed rules (*A two day harvest turns into a five day harvest, with an additional 30-50 staff hours, which takes away from other duties the staff preforms*)

2) Another concern about the track and trace system is the disparity in internet access throughout rural Maine. According to [broadbandnow.com](http://broadbandnow.com), Maine ranks 43rd for broadband access nationally. Maine lags behind other States in access to reliable, affordable internet. Over 135,000 Mainer's only have access to one wired provider for internet. Additionally, only 4.5% of Mainer's have access to internet service under \$60 a month. This figure is drastically lower than the national average of 51.5%. Mandating tracking for rural caregivers and businesses will be another unfair disparity against larger businesses in urban areas of the State. Make sure they have reliable internet access to be able to use the internet-based tracking system (METRC) proposed by OMP. We have serious connectivity issues in Waldo County, including in the County seat Belfast. We lose internet in Belfast often once a week, sometimes for 12 or more hours.

3) The drafting of operating plans, which will cost staff time and will likely be reviewed by a professional consultant or attorney. There is also no

metric set forth by the department to approve or deny an operating plan. This must be filled out on department approved forms, which have not yet become public.

4) Requiring intense lighting for outdoor cultivation makes it impossible to produce quality cannabis due to how cannabis grows. For most cannabis to flower successfully, it requires 12 hours of darkness and 12 hours of light. This requirement of intense outdoor lighting would stop most outdoor cultivation.

5) How will OMP be able to process over 3,000 caregiver applications with these new rule requirements when they cannot process the current adult use applications that are in the pipe line?

6) These additional costs will have to be passed upon to patients, which patients cannot afford. These patients are already tempted by black market cannabis due to its lower price and higher prices through the regulated, medical cannabis market, will drive these patients to the black market. This will lead to lower sales for tax paying, state and municipally approved business. This will also lead to lower tax revenues for the State.

7) These additional costs will also take money away from my staff. We will not be able to offer raises, bonuses or other benefits that we had plan to offer them. We have been exploring offering health insurance, but with these proposed regulations we have decided against it at this time due to the regulatory cost.

Since opening a caregiver store in 2018, **I have not had a single patient request more information on packaging.** What patients desire is the ability to see what they are purchasing, smell it and watch me or my staff package it in front of them. Patients do not want more wasteful, plastic packaging that they will just throw away once they leave my premises.

While I understand the desire of the department to mandate packaging requirements, that is not what patients need. **What patients need is**

**continued, uninterrupted access to their therapeutic cannabis.** If the department mandates packaging, labeling and batch tracking requirements, this will likely lead to additional costs to patients, many of which are on fixed incomes and are seeing other necessities, such as food, medicine, heating fuel and taxes increasing every month. The Portland Press Herald Editorial Board puts it best in their March 4th 2020 editorial : *“Maine legislators should resist the temptation to fix what isn’t broken”*. These suggestions by the department are solutions looking for problems, and if enacted as drafted, I believe this will cause more problems to justify the changes made.

What we could support, at a maximum is requiring: (B) An identity statement (*Which must be defined, and should be limited to calling it cannabis*) and universe symbol, (E) A net weight statement (*which should be limited to how many grams a package is*), and (J) For edible marijuana products, a nutritional fact panel (*which is **already required** by DACF to have a food establishment license*). This is a true compromise, which will incur minimal costs for patients, while achieving OMP’s mission statement.

As an industry participant, who employs nine people, pays thousands of dollars in taxes and regulatory fees, I cannot in good conscious agree to additional burdens without knowing how they will interface with a costly, mandated system. As the Portland Press Herald Editorial board put it : **“The cost and time of a track-and-trace system, for instance, would place a heavy burden on mom and pop operations, as would hefty fines proposed for even minor violations”**.

Many sections of these rules were rejected by the 129th legislature by unanimous committee vote (see LD 2099 ) and later rejected by the entire legislature, including: Mandating batch and batch numbers, additional labeling requirements and, mandatory testing through labeling requirements.

We are not opposed to regulations, we welcome them. The reason this bill is needed is because OMP is out of touch with how the current market in Maine operates. The consultants they have hired are not from Maine and have no experience with the Maine market. Instead, they are comparing us to States that Maine has little in common with. Maine is not

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Colorado, Washington or California and we are defiantly not Massachusetts. We have been in communication with OMP about these rules, but they ignore many of our recommendations. Passing this bill will bring ALL parties back to the table to have an open discussion about what regulations are backed by data when it comes to public.

No matter what the final rules are, I hope that OMP and the legislature will allow time for business to “on-ramp” into these new regulations. It takes a great amount of time and energy to train staff in new Standard Operating Procedures (SOP’s), regulatory requirements and modify any facility to meet the rules requirements. We suggest that a minimum of nine months be given to allow businesses to on-ramp into whatever the final new rules are.

This is why we need you, the legislature, to clearly state what you believe should be the regulations for the thousands of these small businesses in the state.

Thank you for taking the time today to consider this bill and I am happy to answer any questions

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