

Oregon Cannabis Commission

Date: April 21, 2021

Time: 1:00 pm – 4:00 pm

Location: Conference Call

Commission Members Present: Anthony Taylor, Amanda Borup, Cedar Grey, George Burke, Thomas Jeanne, and Andre Ourso

OHA staff: Margaret Flerchinger, Maureen Russell, Megan Lockwood, and Shirley Patton

Welcome and Call to order (2:40 on audio)

Acting Chair Anthony Taylor announced Dr. Rachel Knox's departure from the Oregon Cannabis Commission and she is now on the Governor's Psilocybin Advisory Council. Due to Dr. Knox's vacancy he is serving as the Interim Chair for this meeting and the commission will address the issue of electing a new chair further on in the agenda.

Special Agenda Item – Discussion with Congressman Earl Blumenauer: (4:15 on audio)

Summary: Anthony Taylor stated Congressman Blumenauer's work for cannabis law reform in the Congress and US House of Representatives in a bipartisan vote passing the Secure and Fair Enforcement for Safe Banking Act. This legislation will amend banking regulations to allow the FDIC insured banking institutes to offer their services openly and without consequences to cannabis businesses across the country. Congressman Blumenauer appreciates the courtesy and permitting him to visit with

the commission. It was a significant moment last Monday when the House approved the banking bill. It will simplify lives for people in the industry and those that support the industry. By getting this strong vote earlier, it symbolizes that Congress is going to be serious about seeing if they can finally end this failed prohibition of cannabis. The American public has shifted its opinion dramatically. Virtually every poll they see, more than two-thirds of the American public favors' full legalization. He wants to express his appreciation for the commission's leadership and hard work, and he is looking forward to being their partner in Congress to ensure what they do makes their life easier not harder. Anthony Taylor appreciates his support and all his hard work at the federal level and wants to ask about other possible pending legislation such as any move to adopt any bankruptcy protection for businesses? Congressman Blumenauer stated that he is not aware of a narrower carve out for them. There is likely to be movement on his research bill which passed last Congress and there is interest in being able to finally get rid of the federal impediments to research. They shouldn't see leadership in cannabis research to Canada, Israel, and Great Britain. We ought to be able to deal with it in this country to develop tools for example for impairment and be able to answer the questions that would make your job easier as regulators for what they are trying to do protecting the public. The More Act has an opportunity for movement in both the House and the Senate. Anthony Taylor asked how he thought the UN's rescheduling of cannabis is going to affect opening the doors to research possibilities with cannabis in the future. Congressman Blumenauer thinks they are approaching a day of reckoning in terms of the international arena. They are fast approaching a North American continent that is all going to be legalized. Canada and Mexico are already there and there are other Latin American countries and European countries. He thinks there will be a reappraisal about international drug conventions. They don't stop countries from moving forward, it complicates things.

Special Agenda Item – Universal Cannabis Labeling Standards, Dr. David Nathan: (13:30 on audio)

Summary: Dr. Nathan presented the Standardized Cannabis Labeling: THE UCIL AND UCPS slide presentation. He stated the Doctors for Cannabis Regulation is much like the name sounds, they are not just about legalization. Labeling is an important part of the regulatory process because it brings together the end point of several regulatory processes including warnings for consumers, testing, and tracking. The symbol was created with input from several stakeholders in the industry and is intended to bring the best of all of the symbols that are currently being used. The symbol needs to be a half inch in size, it has a black/yellow scheme instead of Oregon's black, red, and white. It also allows for the placement of either a two-letter state code which California has or the three letters, THC, CBD, and THC being more important. He presented the slides of what the proposed cannabis product symbol would look like. It has the basic font and four sections with a fifth when ingredients need to be included. The first section is the basic product information. The second section is the cannabinoid and terpene flavonoid information and the measurements of the relevance molecules in the product. A warning section will vary based on product type and is going to vary by state because the states have different requirements on what they want to see. The smallest box here, they are going to try to come up with a universal system for lot numbers that will not only allow tracking and tracing, but identify the kind of product they got based on codes there. An expiration date or a best used by, some may use date of production. The same label can be used for medical and adult use products. The difference here is between the terms, serving size, servings per container, dose, or doses per container. The QR code not only can it link to other information about this specific product, but also information about responsible cannabis use generally. Warnings for special at-risk populations and the QR code can be linked to many different things, that is TBD. The cannabinoids per serving will vary widely based on the kind of product form, the number of milligrams is relevant for flower, which is in the example shown, less relevant when talking about for example, a vape pen or some type of concentrate. It may not be about milligrams but percentages depending on the root of administration or intake. There are other cannabinoids, terpenes, and flavonoids optional. The

reason for that is some companies may not have the resources to measure everything and, in some places, it is already required. There is some controversy there, the example of alcohol is one where the exact contents of alcohol aren't always disclosed. The difference with cannabis is all ingredients need to be listed, whether they are edibles, topicals, or concentrates. The warning box is all the at-risk populations and key warnings. They couldn't get it to fewer words than shown and they wanted it short as possible so people might read it. The product type will determine whether other warnings would be disclosed in the warning section. Everything on this label has been shrunken down to the fewest letters possible so the maximum amount of information in the limited amount of real estate on these packages. He would like the commission's feedback and it can be sent to the labeling email on the info-graphics slide or it can be sent to his email, dnathan@dfcr.org. Tom Jeanne stated he liked the overall approach and the labels with all the nutrition facts style data look good to him including the triangle logo they are going with. His only concern is a graphic design standpoint the teeth on the leaves probably botanically accurate are so small, would be too small to reproduce and they might consider going with larger teeth on the leaves to make it more recognizable at a small size. Some of the label samples he showed from other states did not have any teeth and is still recognizable as a cannabis leaf. Dr. Nathan stated the serrations in the leaflets is also a matter under discussion for the reason he is saying and what is in the presentation is a shrunken down version. There is a non-serrated version that can be used for greater reduction otherwise you are going to get some fuzz, it is not even a matter of the serrations not showing up. Anthony Taylor asked how he would account for items that require additional nutritional information? Some packaging allows for inserted product information. Amanda Borup stated that was correct and they also have small packaging and tiny packaging rules. It varies based on the product, but to answer his question about the vape pens specifically, the universal symbol must be located on the cartridge. Dr. Nathan stated the usual minimum font size is one sixteenth of an inch and if the lower case "o" is not taller than sixteenth of an inch, then all the print needs to be capitalized. There are nutrition fact labels where there is no separation by boxes, it is written in rows. The ASTM rules disallow printing of the fact label on the bottom, it must be on the side or on the top. If the package is small, they should have a full label at the

point of sale next to the product and these packages folded inside the package insert. Anthony Taylor asked him why they are so concerned about a warning label on the packages. Dr. Nathan stated it is important because of the potential harm, there is special populations that need to know, just as on alcohol bottles puts a warning about pregnant or breast feeding. Anthony Taylor stated he doesn't think that cannabis is as dangerous as everyone is making it out to be. Dr. Nathan thinks they should have some kind of caution on there. Tom Jeanne stated he concurs with Dr. Nathan on the comments and the yellow caution is appropriate. Andre Ourso states this was a great presentation and he concurs with Dr. Jeanne's sentiment. He asked Dr. Nathan if there were any states that are adopting this format for labeling. Dr. Nathan replied not yet, there is a tribe that is fairly close, and currently he is talking to three different states. Andre Ourso asked Amanda Borup, being OLCC has labeling authority if are they going to consider rulemaking to change labeling in the future. She stated they had just finished a rule making requiring the ingredients be added to inhalable cannabis products, like vape pens. They must list all the ingredients now and the sell downs are in effect for that kind of labeling change. They are working closely with CANNRA as Dr. Nathan said and are going to try to get a temperature from other states on how far states are willing to go to get something more streamlined nationally. To use something like this as a model, they require nutrition facts and a lot of the concepts Dr. Nathan went over are the requirements in Oregon.

Approval of January 27, 2021 Meeting Minutes: (Commissioners) (46.22 on audio)

Outcome: Anthony Taylor asked for a motion to approve the January 27, 2021 meeting minutes.

Vote: Andre Ourso made a motion to approve the minutes. George Burke seconded the motion. Anthony Taylor stated it has been moved and approved the commission accept the minutes of the January 27, 2021 meeting and he asked if there was any opposition to approval of the minutes, seeing none, approved.

Opening Remarks: (Anthony Taylor) (49:40 on audio)

Summary: Anthony Taylor stated Dr. Knox's departure has left the commission without a chair. According to Article 4, Section 1 of the commission bylaws, a vacancy which occurs before the expiration of a term of office can be filled by a majority vote at any regular meeting of the Oregon Cannabis Commission and they do have options. The commission can choose to hold an election for both positions, or the commission could choose to hold an election to promote current vice chair to finish Dr. Knox's current term and vote to elect a new vice chair. If he was to continue as chair, he would continue Dr. Knox's goals of working toward an omnibus cannabis bill for the 2023 session and would expand the scope of what they are doing in capacity for OHA and OLCC, to begin work on some of the issues they can resolve without changing rules or seeking legislative change. He asked if there were any comments or discussion. Andre Ourso made a motion that the vice chair serve out the remainder of the term of the chair and would fill that position until the end of her term. Anthony Taylor asked if he was asking that they move to elect a new vice chair or appoint an interim. He is not sure if that is allowed under bylaws and asked if that would be part of the motion as well. Andre Ourso accepted that, and Anthony Taylor asked if there was any discussion. Amanda Borup noted that only people that can be chair or vice chair are non-state employees, they should ask Cedar Gray what he thinks about that, he is the only commission member available other than Anthony Taylor. Cedar Gray declined the position and supports Anthony Taylor as chair to finish serving Dr. Rachel Knox's term. Anthony Taylor stated they need to decide if they are going to continue without a vice chair for the interim since they don't have anyone else to choose from. Andre Ourso suggested they move forward without a vice chair. Anthony Taylor will work with Megan Lockwood, the OHA staff moving forward until they can have an election for officers at the end of this year or the beginning of next year. Anthony Taylor asked Andre Ourso to put that in the form of a motion.

Outcome: Andre Ourso moves that the commission vote to accept Vice Chair Anthony Taylor as acting chair of the Oregon Cannabis Commission and the vice chair seat will remain vacant until the end of the year. Anthony Taylor stated it has been moved that the vice chair take the position of the chair and serve out the chair's existing length of her term. The commission will sit with the vacancy of the vice chair until new elections at the end of the year.

Vote: Andre Ourso made a motion that the vice chair serve out the remainder of the term of the chair. Cedar Gray seconds the motion. Anthony Taylor stated the motion has been moved and seconded, are there any objections. Seeing and hearing none, they will move on to the next agenda item.

Administrative Updates (Megan Lockwood)

Budget (56:58 on audio) Summary: Megan Lockwood presented the budget, the columns on the left side are the revenue and expenditures projections which list all of the revenue and expenditures, the three middle columns are the patients from 2019 through 2021 biennium numbers. The first column is for 2020, the middle column for 2021 is the projections for 2021. The next column is the forecast projections for the 2021 – 2023 biennium. She presented a breakdown of the spreadsheet.

Member Term Limits (1:03:35 on audio) Summary: Megan Lockwood received notification from the Governor's office and there are four positions whose term limits are ending on November 19, 2021. Those positions are Anthony Taylor, Andre Ourso, Amanda Borup, and Dr. Luedtke. Megan Lockwood stated the Governor's office sent her the process on reappointment, and she will share the link with them. They must resubmit a reappointment application packet that includes the documents found in the link, a resume, and a short bio. The next Senate confirmation hearing takes place in September, the quicker they get the

documents the better. If they are not interested in a reappointment, let her know so she can connect with the Governor's office so they know the position will be vacant and they can look in to filling it.

Overview Compliance and Enforcement (1:05:34 on audio) Summary: Megan Lockwood stated the proposed changes with the current legislative bills, Anthony Taylor asked her to provide an overview of their compliance and enforcement activity. The first row is OMMP grow site inspections, this shows how many inspections the Oregon Medical Marijuana Program inspectors performed on OHA grow sites with one or two patients registered. The next row is OLCC referrals for Enforcement, this refers to the number of violations found by OLCC inspectors at OHA grow sites and reflects how many grow sites they went to and where they found a violation. The program delegated inspection responsibility to OLCC for all grow sites reporting in CTS for grow sites with three or more patients registered. The enforcement for these violations by OLCC inspectors does remain the responsibility of the program to pursue. She explained the OLCC process for inspections. She explained what the process was for complaints and for not setting up a GSA (Grow Site Administrator). Anthony Taylor asked on the CTS enforcement with the grow sites revoked, how many of those revocations were for refusing to create a GSA? Is there a division there or is that for all that refused to create a GSA or are some CTS enforcements from other CTS compliance issues? Megan Lockwood these are grow sites who did not designate a GSA and create a CTS account. Anthony Taylor stated on the OLCC rules for enforcement, last year there were 335 referrals, how many of those resulted in fines or penalties by OHA. Megan Lockwood stated she will get that information and send it out. Anthony Taylor asked Megan to provide this because all the enforcement activities for the OLCC, they work it out and once a month they have a meeting where they decide the stipulated agreements and is a matter of public record. Amanda Borup stated it is public record, but it is not all posted on their website. Anthony Taylor stated they can find the stipulated agreements by digging deeper and find what the OLCC presents on the website. Amanda Borup there are certain settlements like Fast Track settlements, if somebody gets a violation they want to settle right away and pay a reduced fine, those are not posted on their website. Anthony Taylor stated he asked the staff to present this before the commission

members because the more they can know about their program, how they interact especially in enforcement and compliance, the better they will be able to advise and guide policy on this.

Subcommittee Reports (Anthony Taylor and Cedar Gray):

- Health Equity Subcommittee (1:16:53 on audio) (Cedar Gray) He does not have an update on HB 3112 movement through the legislature. The subcommittee has continued to discuss HB 3112, offering edits, improvements, questions, and support its movement through the legislature. Anthony Taylor stated HB 3112 has moved out of committee with eleven amendments and without recommendation referred to rules, with subsequent referral to Ways and Means Committee. There was a public hearing on Monday.
- Research and Leadership Subcommittee (1:18:10 on audio) (Anthony Taylor) He has been standing in on Research and Leadership Subcommittee and chairing the Joint Patient Equity and Governance Frame Working Subcommittee. Dr. Jeanne and Dr. Luedtke are now able to come back in and take the lead in the Research and Leadership subcommittee. The subcommittee has prepared a report on more detailed requirements for the state reference lab to be presented for approval at the May meeting for the Research and Leadership subcommittee. He will send it to Dr. Jeanne and ask if they could find time to meet before that meeting. He will work on getting it accepted at the next meeting before sending it to the full commission for review.
- Joint Patient Equity and Governance Frame Working Subcommittee (1:21:51 on audio) (Anthony Taylor) The committee completed their recommendations for the OLCC patient services and accommodations and is contained in the report. He read the introduction and the recommendations. Amanda Borup stated that Recommendation 3 is statute language. Anthony Taylor that will have to be addressed through a statutory change. All requirements for plant segregation in CTS are based off OHA Medical Marijuana rules or laws. This recommendation is fine to go to OLCC but OLCC would not break

OMMP rules or state law to make those changes. Anthony Taylor agrees, and they are currently allowed to transfer the 20 pound per year per grow site. Amanda Borup stated the majority of these would be changes to statute. She wants to make sure the subcommittee is aware that OLCC cannot make these changes without the changes to statute. Anthony Taylor, they are not, and they expect that some of them will require statute, expect OLCC and their licensees to work through that. He asked for a motion to adopt these recommendations and send them to OLCC. Anthony Taylor asks for a motion to adopt the recommendation and move it toward the OLCC. Andre Ourso stated the commission would like more time to review the details before they make that recommendation to OLCC. Anthony Taylor asked if that was the consensus of the rest of the members. Amanda Borup stated her concerns are more about the optics of it. They are giving the recommendations to the OLCC, but the recommendations are ones that the OLCC can't do anything about until the next legislative session. She doesn't want people to say, we recommended the OLCC do this and they didn't do it. It is not because they didn't want to do it, it is because they can't do it without a change of statute. She would hope that everybody is clear on the fact that OLCC cannot change the law on their own before moving forward and asked if the commission had a quorum. Andre Ourso stated he doesn't believe they do. The commission agreed to review the recommendations and discuss at the next commission meeting.

OHA and OLCC Representative and Legislative Updates (Andre Ourso, Amanda Borup, Anthony Taylor): (1:43:19 on audio)

Summary: Anthony Taylor presented the bill update form and there are eighteen bills active that relate to cannabis, down from the 39 or 40 that were originally introduced. All but two, Senate Bill 5533 and 5024, deal with the Oregon Marijuana account and general fund appropriation for the Health Authority. Anthony Taylor asked Amanda Borup about Senate Bill 48 and if that further defined each category. Amanda Borup stated that is defined in rule, the agency is currently working on rulemaking to address it. The industry also wanted it in statute to make sure it is done. This bill has a do pass and has been sent to Ways and

Means. Anthony Taylor asked Amanda Borup if she had any further update on HB 2263-5. She did not, it currently was in Ways and Means. There are some serious concerns if everybody has their own individual tracking, how testing would work. Testing is important when it comes to pesticides and solvents, especially for medical patients. It would be a challenge to see how that would work if there was a recall. Anthony Taylor opened it up to Commissioner Borup and Commissioner Ourso for any comments they have on the bills.

Andre Ourso stated Anthony Taylor had covered everything on his list and if there were any specific questions on how a particular bill would affect OMMP. For general comments, OHA has no position on any bills unless it is a bill that is put forth by the agency and in the Governor's agency package. There aren't any cannabis bills this session that would be coming out of OHA and be included in the Governor's package.

Amanda Borup wants to talk about HB 3000. The hemp industry feels that this is going to affect growing hemp and that is not what the bill is about. The bill is about the Delta 8 issue, the processing and conversion of CBD to Delta 8 THC. Currently hemp edibles, because it is .3 percent THC on the dry weight basis, if they had it in a soda or a candy bar or an edible, they could have more Delta 9 in a hemp edible in a convenience store than they could have in an OLCC retail store. A lot of these concerns are coming from calls from around the State of Oregon, concerned parents and community members that either have unknowingly gotten high off of Delta 8, thinking they were taking CBD, and children being able to purchase these products without any sort of certification. The plan is to have an amendment to be able to exclude certain type of processing. The current language states those that process hemp for consumables or an inhalable would need to be licensed by the OLCC by 2023. If hemp products are in the OLCC system and are not an intoxicating product, just CBD, it follows all the hemp requirements, it can leave the system after it has been tested. What they want to verify is the testing is being done on these products and the products that are intoxicating are only sold to adults. That is the goal of HB 3000 and she anticipates more

amendments coming with that because it conflicts with one of the hemp bills. There will be some movement of ODA state plan language, it is going to go into one of the hemp bills and HB 3000 is going to be more of the intoxicating hemp products. They are seeing it nationwide and many states that have come out with legislation this year on this.

New Business (Anthony Taylor):

Discussion on Subcommittee Work and Dialogues with other Boards, Commissions, Agencies (2:06:30 on audio)

Summary: Anthony Taylor would like to continue with what Dr. Knox was doing, scheduling meetings with other agencies to offer the commission's assistance where they may feel they need it. For example, in crafting a cannabis policy for their web page. He is going to step away from chairing the subcommittees but will continue to chair the Joint Patient Equity and Governance and Frame Working subcommittee until he can bring one of the members up to chair and he will then sit as vice-chair for that committee. He wants to make sure that the chair is meeting with other agencies to build a coalition to help accomplish the goal of an omnibus cannabis bill that takes everything into account. To further their objective of long-term strategic plan for affordable and available cannabis.

Roundtable on Pending Legislation Affecting Patients (2:11:07 on audio)

Anthony Taylor added this because he is worried about how the effect HB 2265 is going to have on patients and he wants to talk about it. He wants to make sure that the commission has a clear understanding of why OLCC thinks this is important. He asked Commissioner Borup to speak to that. Amanda Borup states in HB 2265 the language states that growers that are tracked in METRC™ come to OLCC and are registered, they would not be attached to the patient. They could give that product

to any patient. In some cases, growers may be able to grow more than they are currently growing because they would be under different definitions of plant counts. It wouldn't be tied to the six plants per patient, the idea is they would be able to share their product with more patients than they can currently. It would expand access to OLCC licensees for the growers, it would allow transfers of immature plants and seeds between the system. That would help with the genetics more on the OLCC side, she does not know how genetics are defined on the OMMP side. Also, by rule it would allow the OLCC to open more sharing. They left the rule making there so they could have ongoing conversations with the OCC, patients, and licensees with how that could work. The thought is that medical growers are growing more and that would mean they would want to put more in the OLCC system, maybe that could be designated for patient sales at a retail store. There would be ways the expanded patient access could be reached through that rule making process rather than putting it out in statute. It would allow OLCC to align any tracking requirements that are changing with the recreational or labs if necessary. They are talking about getting away from single plant tags. They are going to contract with a researcher from the University of Washington who is going to do a state by state cannabis tracking report for the OLCC. That way they could see how their tracking and testing compares to other states. A reason for that is they want to be competitive. When interstate commerce comes around, they want to make sure Oregon is in the best position possible to be a competitive state. They started after Washington and Colorado and want to look at what the newer states are doing. What those states have learned from Oregon's mistakes and what they have changed for their regulations. As the federal government has become less worrisome around cannabis in general, they want to see what they are doing. That way they can modify their tracking requirements to better fit the reality in 2020 – 2021. The concept is to give more flexibility and better patient access. They see this more like the co-op model and they feel that this gets there because it does allow a grower or a group of growers to be able to grow for multiple patients without being designated to a patient. Anthony asked if the OLCC thinks it is necessary to move these growers under OLCC to accomplish those goals. He said HB 758 allows transfers to any patients, they used to be able to do that. They are already allowed to share with OLCC producers, he is worried about unintended consequences on these

patients that would lose their grower. Amanda Borup stated when a bill comes out of the Governor's office, the agency is neutral on it. Currently they inspect the grow sites, write a report, send it to OHA, it is like double work being done. The idea is to streamline the administrative process and she understands his concerns. Anthony Taylor noted there wasn't much public testimony on the House side, there was no testimony in opposition or support of this bill when it came before the General Government Committee in the House. Since OLCC begin overseeing the reporting it has been a continuing decline of 90% and prior to legalization the program was expanding. Amanda Borup asked as the patient numbers drop wouldn't that automatically have the grower numbers drop too since the patient has to designate a grower. Anthony Taylor believes patient numbers drop because a designated grower is dropped, it is a reverse of what she is thinking. It is the cost and the overregulation of the growers who have always had flexibility to serve their patients.

Andre Ourso stated at the next meeting they could discuss the subcommittee structure and how they want to move forward. At the next meeting have a debriefing on what legislation passed and how it is going to affect both OLCC and OHA going forward. Amanda Borup stated they are still working with LFO and DAS to be able to get funding from OLCC to go over to the Department of Agriculture to start the reference lab.

Next Oregon Cannabis Commission: July 28, 2021 1pm – 4pm Zoom Meeting