

May 24, 2021

Ms. Monet Vela Office of Environmental Health Hazard Assessment 1001 I Street, 23rd Floor P. O. Box 4010 Sacramento, California 95812-4010

RE: Public Comment - Proposed Amendments to Article 6, Clear and Reasonable Warnings for Cannabis (Marijuana) Smoke and Delta-9-THC

Dear Ms. Vela,

The California Cannabis Industry Association (CCIA), representing over 400 cannabis companies, joins in coalition with the above cannabis organizations, businesses, and allies to respectfully oppose the proposed amendments to Article 6 of Title 27 of the California Code of Regulations, which add new sections (25607.38 – 25607.47) to the Clear and Reasonable Warnings under Proposition 65 specific to cannabis smoke and delta-9 THC exposure. These proposed additions will add significant cost pressures and workload to an already overburdened industry, particularly during a period of great regulatory and economic uncertainty.

California's cannabis industry is one of the most highly regulated consumer industries in the state. Cannabis and cannabis products must follow stringent health and safety standards, including rigorous product testing for compounds and contaminants, labeling of all cannabis content, and myriad regulatory protections and label warnings to prevent access to minors. Moreover, since "Cannabis (Marijuana) Smoke" is already listed under OEHHA's "<u>Chemicals Considered or Listed</u> <u>under Proposition 65</u>" for both cancer and reproductive health, cannabis operators already follow all current guidelines related to Proposition 65 warnings and disclaimers.

Costs incurred by legal cannabis businesses to accommodate such a substantial labeling change would be significant, as operators would need to remediate their current packaging and labels, or in some cases, generate new packaging altogether in order to fully capture the proposed text. This would come after repeated adjustments to meet ever-changing compliance requirements imposed by the licensing authorities for cannabis since the regulatory framework was first established for medicinal cannabis in 2015. For small businesses already operating on thin margins, these proposed amendments could impose unnecessary hardship and would not ultimately benefit the health and safety of California's consumers, but only serve to contribute to higher barriers to entry for legal operators and encourage participation in the illicit cannabis market, which currently outnumbers legal cannabis operators 3-to-1.

Additionally, we are concerned that the cannabis industry's rigorous labeling requirements leave little room to accommodate these proposed amendments. As mentioned previously, all cannabis products sold in California must clearly disclose the product's batch number (for purposes of the state track-and-trace system), cannabinoid content, expiration date, unique product ID, and more. Considering the size of most cannabis product packages sold in California, it is unclear how cannabis operators could logistically accommodate these new proposed additions, particularly in light of OEHHA's other pending Proposition 65 amendments under consideration around <u>short-form warnings</u>. Moreover, many of the disclaimers required under these proposed amendments - particularly those related to warnings around reproductive health and cancer - are already required to be disclosed under cannabis regulations. Simply put, the warnings proposed under this amendment are redundant.

Finally, these changes are being proposed at a time of great uncertainty for California's legal cannabis industry in particular. Not only is the industry grappling with the ongoing economic fallout of the COVID-19 pandemic, all without qualifying for any federal relief or SBA loans, but operators are also faced with the pending consolidation of the three cannabis licensing agencies into one Department of Cannabis Control. The impending consolidation will bring many new changes to cannabis regulations and compliance, with effects across all aspects of the supply chain. Yet another label change, the goal of which is already achieved through cannabis regulations, would just add greater confusion to an already uncertain time for the cannabis industry.

For these reasons, CCIA and our above coalition respectfully opposes these proposed amendments to Article 6 of Title 27 of the California Code of Regulations, at least until the cannabis industry is guaranteed a sure date as to when the many other regulatory changes operators are expecting,

particularly those related to packaging and labeling, must be implemented.

Should you have any questions regarding our position, please contact CCIA's Legislative and Regulatory Affairs Manager Eddie Franco at <u>eddie@cacannabisindustry.org</u>. Thank you for your consideration.

Sincerely,

Sindsay Robinson

Lindsay Robinson, Executive Director, California Cannabis Industry Association (CCIA)

A Therapeutic Alternative Anthony Law Group Body and Mind California Cannabis Manufacturers Association California NORML Caliva CannaCraft CannaSafe Central Coast Agriculture Cresco Labs Curaleaf Eaze **Eden Enterprises** Erste Law Flow Cannabis Company Fumé Good Farmers Great Neighbors Harborside Jetty Extracts Khemia Kikoko

Kiva Brands Law Office of Kimberly Simms Mammoth Distribution Mankind Dispensary Marijuana Policy Project McDowell & Associates Meadow Napa Cannabis Collective Natura Life + Science Nine Point Strategies NorCal Cannabis Company Pax **Pineapple Express** Poseidon Asset Management **PV** Platinum Robert A. Raich, P.C. Select Silicon Valley Cannabis Alliance **SPARC** The Hook The Werc Shop Wilson Elser