

6/15/23

Senator Richard Roth
Chair of Senate Business, Professions and Economic Development Committee
1021 O Street Room 3320
Sacramento, CA 95814

Re: AB 687(Hart) - California Cannabis Authority

Position: Strongly Oppose

The organizations listed above represent the overwhelming majority of legal cannabis retailers (including social equity retailers), throughout the state of California.

AB 687 does not allow for equal access to data of California’s track and trace system for cannabis to all local jurisdictions. Instead it has proven to be nothing more than a Membership Grab for the joint powers authority known as the California Cannabis Authority for which the bill is named.

AB 687 seeks to exploit the rule making process by the Department of Cannabis Control (DCC), for the personal gain of the California Cannabis Authority. Last year our coalition of organizations worked with the state to expand the cannabis track and trace system to include cannabis delivery, through the passage of the Governor’s bill AB 195. Subsequently the DCC issued emergency regulations as a first step towards fully incorporating cannabis delivery.

The emergency rules now require for each cannabis delivery vehicle to have a ledger that tracks:

- Name of the Delivery Driver
- Make and Model of Vehicle
- License Plate
- Full Inventory of Cannabis Products in Vehicle
- Value of those Cannabis Products
- Time of departure
- Time to destination of deliveries
- Time of Return
- County of Delivery
- and more.

The DCC has thoughtfully begun this approach through the Emergency Rule Making process. It has required the coordinated effort of delivery operators statewide, numerous Point of Sale Software providers all of which needed to additionally develop and integrate their software into Metrc, the state's third party software track trace provider.

We are encouraged by the DCC's continued efforts to fully integrate cannabis delivery into the track and trace system and expect they will further expand it to include the city and zip code in their final regulations expected as soon as the end of this year.

This has been a massive effort which significantly increased the cost to all those parties to achieve compliance with absolutely no additional funding provided by the state or otherwise.

By comparison the California Cannabis Authority sought to exploit the DCC's rule making process for their own personal gain through AB 687, by claiming it was focused on the inclusion of zip code into the track and trace requirements. The fact is that the CCA is seeking to gain full and unfettered access to all of the state's track and trace data, as well as all the proprietary sales information of California's licensed businesses so that the CCA can profit from that data and become the gatekeepers of the information, ultimately providing it only to local jurisdictions whom are paying members of their organization. The membership fees to the CCA are often transferred on to the licensed operators in their jurisdiction ultimately increasing the financial barriers and burdens of licensed operators while they continue to struggle for viability against the illicit market. Currently the CCA lists only 7 members to date, having this level of access to the state's data would be of great value to the CCA alone.

AB 687, furthermore seeks to allow the CCA to gain access to all the data from any and all local jurisdictions whether they are members of the CCA or not. And until most recently, unashamedly the bill sponsors originally sought within the bill for the state to provide millions of dollars in funding to the CCA's efforts to gatekeep this proprietary information.

Currently Business and Professions Code - Division 10 26067 states: (Cannabis Track and Trace Program)

(5) Information received and contained in records kept by the department for the purposes of administering this chapter are confidential and shall not be disclosed pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of Government Code), except as necessary for authorize employees of the State of California of any city, county, or city and county to perform official duties pursuant to this division or a local ordinance.

(6) Upon the request of a state or local law enforcement agency, the department shall allow access to or provide information contained within the database to assist law enforcement in their duties and responsibilities pursuant to this division.

Local jurisdictions have access to this data for their own jurisdiction when needed, to assist in law enforcement actions. AB 687 seeks to give full access to the CCA and does not further democratize that access to other jurisdictions. Furthermore the data would not be accessible to jurisdictions which have opted to not license cannabis, which is considered punitive against such jurisdictions that have exercised that right as established under Prop 64.

Our coalition of organizations has connected with the bill sponsors through the authors office and provided a number of amendments of which none have been adopted to date. As such we fully oppose this bill and we respectfully ask for your No Vote on AB 687. For questions, contact our Legislative Advocacy Chair, Jerred Kiloh from United Cannabis Business Association at (707) 235-8474.

Sincerely,



Jerred Kiloh
President
United Cannabis Business
Association



Luis Rivera
Executive Director
Social Equity LA



John Delaplane - Director
San Francisco Cannabis
Retailers Alliance



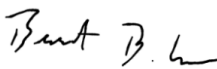
Adam Hijazi
President
Long Beach Collective
Association
Brent Buhman



Virgil Grant
President
California Minority
Alliance



Michael Anthony Long



President
Coachella Valley Cannabis
Alliance

Co-Founder

Angeles Emeralds



Sean Kali-Rai
Executive Director
Silicon Valley Cannabis Alliance