

Testimony of Geoff Sugerman  
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Twenty years ago this past November, I was fortunate to work on the campaign to pass Medical Marijuana in Oregon. Along with people like Dave Fidanque from the ACLU, Kevin Campbell and many others we spent much of 1999 working on implementing the medical marijuana program in Oregon.

Six years ago, along with Rep. Peter Buckley and Sen Floyd Prozanski, I helped draft and pass legislation to license and regulate the over 200 medical dispensaries that were operating in a gray area of the law. I worked on the RACs established by the OHA to implement that licensure program and helped a number of businesses receive those new licenses.

After passage of the legalization measure, I spent the 2015 session lobbying on behalf of the Oregon Cannabis Association, working on a number of RACs and advisory groups as we put the statutes and rules in place for the cannabis industry.

And finally, for the past three years, as Chief Compliance officer for Groundworks, we have successfully navigated through the OLCC, ODA, OHA and all the local jurisdictions where our vertically integrated company operates. Currently we hold 11 licenses ranging from our production facility and kitchen to retail stores throughout the Portland metro area.

With this unique perspective of both helping to craft the laws and rules, and now putting the into actual practice, I offer the following few comments as we prepare for the 2019 session.

1. **The OLCC needs more people:** From Day one of our work on the legalization measure we underestimated the number of people who would seek licenses. We underestimated the supply. We underestimated the demand. We underestimated revenue potential. And since we intentionally set the bar low for entry fees, consciously bringing in as many participants of the medical program into the recreational market as wanted to be there. The resulting crush of license applications overwhelmed the OLCC from Day One and, try as they truly do, they have not been able to catch up. They need resources, whether through tax dollars or increased fees. They need bodies. And that means more funding for their inspections and investigations work.
2. **Don't blame the regulated market for over-production:** With that conscious decision to bring every medical grower who wanted to be in the system into the rec market, we now have a much clearer picture of the amount of marijuana being grown in Oregon. For many decades, we've grown more than we consume. What is different two years after legalization is that we know exactly how much marijuana we have and where that marijuana is. We track it. We see it. And while there may be a handful of bad actors out there, the vast majority of participants in this industry are diligently following the rules and doing our best to be complaint. Those of us in the rec market should not be marred and maligned because of those few illegal or unscrupulous actors who are still feeding the black market. It's not fair.... And its not true. Yes, we need to do everything we can to prevent illegal sales both in and out of state, but we should do so recognizing that most of us in the industry are compliant and working hard to stay that way.

### 3. **Two key issues this coming session:**

**Social consumption:** We need to come together and find a solution to this question of where people can legally consume. Other states and cities are figuring this out and there is a wealth of approaches out there we can look at. Reps. Nosse and Helm, and Senator Frederick are leading a strong effort to bring the various stakeholders together and I believe we can find a way to forge a workable consensus that provides the equity and protection needed for safe social consumption.

**Vacating misdemeanor and/or felony marijuana possession offenses:** We believe there are still far too many people in our state suffering from the previous conviction of marijuana possession that prevent them from securing housing and jobs. By vacating these sentences, without forcing people to go through the expensive expungement process, we can provide new opportunities to the many people who still suffer from convictions for activities that today are completely legal.

#### **SUMMARY:**

We have faced challenges in this new industry, but I believe the vast majority of participants works extremely hard to be compliant. We work extremely hard to follow the rules, to be good neighbors, and to be positive participants in this emerging industry. We're two years in. We've identified a number of issues to address. And every single person in the industry can probably point to an area they would like to see improved.

But we also should take a moment to reflect on how far we have come, and how successful this program has been. There are over 30,000 marijuana handler's cards issued. We're contributing somewhere between 80 and \$100 million per year into the state coffers. We are working together to make this industry work.

We've got plenty ahead of us, but after only two years, we have come a very long way indeed.

Thank you.