

To: DUAL USE OF CANNABIS TASK FORCE

Monday, August 29, 2022

What would make an adult-use cannabis program and its social equity components in Hawai'i a success in my eyes and for our community would be:

Thousands of cannabis licenses being issued to small farms and businesses, which would create opportunities for small family farms and small businesses to be successful, and contribute to Hawaii's goal of self-sustainability.

For centuries Native Hawaiians managed a self-sufficient agricultural system, but now sadly, this system has been so diminished that we now have an 🚨 **emergency level** 🚨 of food insecurity. Our lives now depend on tourists, and cargo ships, but we must REALIZE and PREPARE for the possibility that those lifelines could disappear overnight. What would we do? What would we eat?

Hawaii is experiencing a pandemic, supply chain shortages, volatile energy prices, and skyrocketing food prices. Hawaii needs to grow our self-sufficiency for our own security, and perhaps our own survival.

“About 85-90% of Hawaii's food is imported which makes it particularly vulnerable to natural disasters and global event that might disrupt shipping and the food supply.” (1)

During the pandemic, we witnessed rows of empty shelves in the grocery stores, across the islands, which clearly demonstrated how quickly supply chains can dry up. Cannabis can have a significant impact on increasing food production, if cannabis licenses are used to support food production, processing and distribution.

Issuing cannabis licenses to small farms, and businesses that bring a food crop to the market, would allow them to supplement their income, and stay in business. Hemp farmers are losing their businesses because the state's regulations cripple their fledgling industries. We want to ensure that small startups are given the chance to succeed, using “Hawaii's Sustainability Priority Guidelines and Principles.”



Encouraging respect for the host culture;

Promoting decisions based on meeting the needs of the present without compromising the needs of future generations;

Considering the principles of the ahupua'a system; and Emphasizing that everyone, including individuals, families, communities, businesses and government, has the responsibility for achieving a sustainable Hawaii.

Let everyone have an equal opportunity.

Everyone can grow 10 plants for personal use, or trade/barter at cooperatives.

Use tax from adult-use sales tax to expunge cannabis convictions and then offer free/reduced business license fees.

During last year's legislative session lawmakers already gave the "BIG" cannabis corporations more retail shops and production centers, despite the fact that they have been financial failures, are disliked by most patients, and are based on failed "trickle-down" economic principles.

The current dispensary system is not serving the needs it was intended to fulfill. Seventy percent of registered patients don't shop at the dispensaries, and only a small portion of cannabis consumers bother to register.

When the federal government finally legalizes cannabis, then it will be possible to begin a real medical cannabis program, with standardized dosing, tracking, adherence to standard medical practices, and FDA oversight.

Sincerely,

Brian Murphy

[REDACTED]

Hilo, Hawaii

(1) INCREASED FOOD SECURITY AND FOOD SELF-SUFFICIENCY STRATEGY
A STATE STRATEGIC/FUNCTIONAL PLAN PREPARED IN ACCORDANCE WITH HRS CHAPTER 226 HAWAII STATE PLAN and the HAWAII COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY.

(2) Hemp Farmers Are Fed Up With Government Regulations Hampering The Industry's Potential, Civil Beat, May 17, 2022

(3) Hawaii's Sustainability Priority Guidelines and Principles are set to promote sustainability through the Hawaii State Planning Act

Aloha Task Force,

This letter is written testimony in advance of the meeting on August 29, 2022, of which we will be exploring the development of a dual-system program that includes the impact of the legalization of cannabis on qualifying patients. As a passionate local with vast experience in both the cannabis and legal industries, I compiled a list of highlight points that are unique to Hawaii and should be considered as we move into creating a dual-program.

1. Large Multistate Operators will be interested in the Hawaii market.
 - a. They bring a plethora of resources from every facet of the industry, including experience of operations, procedures, risk and crisis management, and compliance.
 - b. They can also bring competition that smaller business may not be able to keep up with.
 - c. Find solutions that strike a balance between local/small and big/multistate business, while not violating the Dormant Commerce Clause.
2. Cannabis Tourism
 - a. Allowing tours to visit farms, just as one can visit a chocolate or rum making facility/farm while learning about the intersectionality of Hawaii and cannabis.
 - b. Create cannabis friendly accommodations that point towards local property owners, especially now that Airbnbs are being outlawed.
 - c. Consumption lounges and other cannabis centric venues that allow the combustion and vaping of cannabis products, and possibly sell cannabis and related products?
 - d. No or minimal punishments for traveling with less than an ounce of cannabis out of state, mimicking airport policies and procedures like that of LAX.
3. Medical Program
 - a. Remains intact and patients should receive a lower tax rate, be able to purchase large(r) amounts, and be allowed to cultivate plants for both personal medical consumption with the ability to cultivate commercially.
 - b. Reciprocity can be made more accessible by removing the limitation of having to apply before arriving; rather, out of states programs can be used to gain lower tax rate.
 - c. This will allow current dispensaries to immediately sell to non-patients, while still serving their original patient population - rendering more business efficiency and substantially increasing ROI.
4. Agriculture
 - a. Not all islands have vast quantities of space for outdoor cultivation, necessitating indoor growing facilities.
 - b. Interisland transportation of cannabis products may be necessary.
 - c. Cultivation permits or licenses should be given liberally and for free for at-home personal cultivation (up to a certain number of plants).
 - d. Certain terroirs and appellations can and should be given proper indication (think Kona coffee), thus allowing a Hawaii-grown cannabis to capitalize on a trademark that increases the intellectual property and brand value of Hawaii-grown cultivars.
5. Marketing
 - a. Process of identification from terroirs and appellation, especially if those locations would bring in premium pricing. (Hence the increased IP value.)
 - b. Where and how can cannabis be advertised to visitors and locals?
 - c. Create a robust cannabis eco-system that endorses competition that drives down consumer prices.

Mahalo,
Christopher Takemoto-Gentile



Akamai Cannabis Consulting

3615 Harding Ave, Suite 304

Honolulu, HI 96816

DUAL USE OF CANNABIS TASK FORCE

MEETING 5: August 29, 2022

TESTIMONY ON AGENDA ITEMS II, III, and IV

Clifton Otto, MD

Thank you for the opportunity to provide testimony on the following agenda items:

II. Report from Tax Working Group

6. Why Does Legal Cannabis Cost More Than Gray Market Cannabis?

Page 19, Table 3:

Access to Banking and Finance

Cannabis businesses do not have access to traditional banking services

Must be addressed at Federal level. Hawaii can charter a credit union that serves Cannabis businesses

Section 280E of Corporate Tax Code

Cannabis businesses cannot deduct normal business expenses, which increases their tax burden

Must be addressed at Federal level

>>> Federal level? Congress? Federalism? State action?

7.3 Tax treatment of medical cannabis

Page 24:

Medical cannabis is primarily about access and affordability

>>> Medical cannabis is primarily about medical supervision and education

>>> Demand for Cannabinoid Medicine Specialists will increase with adult use

11. Regulatory Structure

Page 38:

It is recommended that major policy decisions be reviewed by an advisory board that provides a vehicle for relevant stakeholders to provide input into the regulatory process. The board would include two people appointed by the cannabis industry, one person selected by the Director of the Department of Health, one person selected by the Director of the Department of Public Safety, and 3 people selected by the Governor.

>>> Recommend specifically including a Medical Doctor and APRN whose primary healthcare specialty is Cannabinoid Medicine.

DISSENTING OPINION:

ELLEN CHING, Administrator, Kauai Office of Boards and Commissions

While the prospect of federal legalization will address many obstacles, it will at the same time open the Hawaii market to an influx of out-of-state capital and corporations. Thus, the current conditions present a unique opportunity to address social inequities through the support of local farmers, individuals and communities who have been harmed.

>>> Recommend that the Legislature and the next Governor of Hawaii take further action to end the federal conflict with marijuana and protect the state authorized use of cannabis.

III. Report from Market Structure Working Group

B. Licensing

1. Proposed Licensing Scheme

b. Business Licensing

Page 14: (iv) Testing - Testing facilities should be licensed in accordance with current licensing requirements

>>> Recommend overall of current testing program:

Gold standard methodology at the DOH State lab

Testing requirements appropriate for an agricultural product

Standardized methodology and round robin testing between labs

Resolve interisland sample transport issue

D. Overseeing Authority

3. Diverse Multi-Disciplinary Approach with Oversight Authority

Page 22

The Advisory Board's membership composite may include:

- Department of Health Director*
- Medical and Environmental Divisions*
- Department of Agriculture Director*
- Department of Business, Economic Development and Tourism Director*
- Department of Taxation Director*
- Department of Commerce and Consumer Affairs Director*
- Department of Public Safety Director*
- Attorney General or designee*
- Health Care provider*

- Patient advocate Person with knowledge in the field of criminal justice reform
- 1 - 3 people actively engaged in the cannabis industry
- 1 - 2 laypersons

>>> Recommend specifically including one Medical Doctor and one APRN whose primary specialty is Cannabinoid Medicine.

E. Other
Page 23

1. Marijuana is a Federal Schedule I drug – Decrim/Desched/Legalization
Recommendation: Defer to Social Equity Market Group.

>>> Awaiting Social Equity Working Group report.

IV. Report from Medical Use Working Group

Summary of Findings

The Medical Use Permitted Interaction Group relied primarily on the results of a confidential online, [rapid survey](#) deployed to the Hawaii DOH Medical Cannabis Patient Registry and medical providers.

>>> Percent negatively impacted by federal conflict with marijuana:

Patients: 25%

Providers: 22%

>>> No recommendation to do something directly about the federal conflict?

Recommendations: Medical Considerations

1. Recommend legislation that requires healthcare facilities to allow the use of medical cannabis on their premises for terminally ill patients.

>>> [CHAPTER 4.9.](#) Compassionate Access to Medical Cannabis Act or Ryan’s Law
(2) The meaning of “health care facility” shall not include a chemical dependency recovery hospital or a state hospital.

2. Recommend higher THC content in medical use products.

3. Recommend delivery services.

4. Recommend the elimination of a state-determined list of qualifying conditions.

5. Recommend medical cannabis patients retain their right to grow.

>>> Recommend formal protection of collectives.

6. Recommend patients remain exempt from any new taxes.

7. Recommend same testing standards currently provided by law.

>>> Recommend overhaul of current testing program.

8. Recommend a dedicated inventory for medical patients.

9. Recommend existing licensees will continue to operate without disruption.

>>> Recommend separate licensing for medical and adult use production.

10. Recommend expanded production and wholesale limits.

>>> Recommend creating a seed bank for patients.

>>> Recommend that dispensaries sell seeds and plants.

>>> Recommend that certifying providers decide what is an adequate supply.

Recommendations: Patient Protections

1. Recommend legislation for employment protections.

>>> Would not apply to federal employees or employers under federal contracts.

2. Recommend legislative change to protect the right to own permitted firearms.

>>> Would not apply to ATF restrictions.

3. Recommend legislation that permits traveling between counties within the state.

>>> HDOT would not cooperate with transport through federal airspace.

4. Recommend legislation that permits reimbursement for medical cannabis products.

>>> No CMS code for certification evaluations and no prescription botanical cannabis.

>>> None of these recommendations would work with federal conflict

Recommendations: Patient & Public Health Education

1. Recommend the state DOH develop a robust education campaign aimed to reduce ignorance and stigma surrounding the medical use of cannabis for medical professionals, healthcare administrators, and insurance providers.

2. *Recommend the state DOH develop and deploy a public health education campaign about medical cannabis use, safety considerations, and how to identify signs of psychological dependence.*

3. *Recommend the University of Hawai'i John A Burns School of Medicine include evidence-based and unbiased medical cannabis education as part of its curriculum for medical professionals similar to the [National Council on State Boards of Nursing's 2018 recommendation for Caring for the Medical Marijuana Patient](#).*

>>> See [HRS 321-30.1](#)

>>> See [SB1024 \(SLH 2021\)](#)

>>> **Recommend guidelines for certifying providers from Hawaii Medical Board.**

>>> **Recommend mandatory education for certifying providers.**

>>> **Recommend Medical Cannabis Advisory Board.**

>>> **Recommend Cannabinoid Medicine Specialist in Department of Cannabis Regulation.**

SUMMARY:

>>> Would you support action on [HCR132](#) as Governor?

LG Aiona: NO

LG Green: YES

>>> **Recommend that the Legislature and the next Governor of Hawaii take further action to end the federal conflict with marijuana and protect the state authorized use of cannabis.**

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When the federal government finally legalizes cannabis, then it will be possible to begin a real medical cannabis program, with standardized dosing, tracking, adherence to standard medical practices, and FDA oversight.

Sincerely,

Mary Whispering Wind

A black rectangular redaction box covering the signature area.

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CARE WAIALUA FARM
JASON HANLEY (OWNER)

Testimony commenting on Report on the investigation findings of the Tax Working Group,
Chair Isaac Choy

Report on the investigation findings of the Market Structure Working Group, Chair Randy
Gonce

Report on the investigation findings of the Medical Use Working Group, Co-Chairs Terilynne
Gorman and Nikos Leverenz

Tax Working Group of the Dual Use of Cannabis Task Force Recommendation

1. Current gray market stats need to be split between the legal market, illegal market, and the medical market. "Total cannabis sales for Hawaii are 354 million." This data would need to be cited and broken down so the people reviewing these proposals would know what is accurate. How were these numbers derived?
2. The report states that dispensaries are over regulated and cannot compete with the grey market but does not show the data associated with this statement. Dispensaries need to release all financials for review. This data should be transparent for the public or at least cited and accurate to let the reader understand.
3. Recommendation V: I Defer to Market structure group recommendations of a larger more robust group. Governor appointed members could be very problematic

Recommendation IV: This report assumes that the market will be segmented into producers, manufacturers, retailers, and testing facilities. It recommends that limits on the number of licenses issued to producers and manufactures be kept to minimum. This will encourage smaller players currently operating in the gray market to start operating legally. It will minimize the price differential between the legal market and the gray market. And it will promote competitiveness within the industry. Enforcement efforts ought to be effective and deter people from operating in the gray markets. The number of licensed retailers will depend on market demand, community preferences, population density, and geography. The report recommends that the cannabis regulator have some discretion over the number of licenses issued, allowing it to respond to market developments

- There is no discussion of a tax structure for the gray market or cooperatives. This must be achieved immediately to incentivize growers, not wishing to join the recreational market, to join the medical market and leave the gray market.

Market Structure Group

1. Establish an emergency resolution in 2023 to protect cooperatives already operating. These cooperatives are providing a service that the dispensaries cannot fill and helping 1000's of people live a better life with access to their own cannabis. Unlawful compliance checks and establishing laws that prevent cooperatives from existing (limiting the amount of 329 cardholders to 5 on site by 2024) puts all of these patients at risk.
2. Laws needed to be established to prevent all current licensees from selling their license to the highest bidder. Many dispensaries in other states have sold their licenses to big companies such as Cookies and are monopolizing the market.
3. Any group of cultivation licensees whose cumulative, licensed square footage under cultivation is less than 5,000 square feet may obtain a cooperative license.
 - Square footage should not be limited in medical market cooperatives. Many farms operate with multiple greenhouses for clones, vegetation, flowering. There should be no limits enforced if it is a medical grow site. If a site has 100- 329 cards then it should be able to cultivate one thousand plants. These sites are responsible for allowing patients to grow their own cannabis and grow space is limited in Hawaii due to most people not having a place to grow. These are patient to patient sites and provide an excellent location for medical growers. Limiting canopy space would limit a space for cardholders to grow.

Thank you. Aloha

From: webmaster@hawaii.gov
To: [DOH.OMCCR](#)
Subject: WRITTEN TESTIMONY
Date: Thursday, August 25, 2022 4:53:46 PM

Email

[REDACTED]

Name

Lindsey Dana

Please enter your phone number

[REDACTED]

Please select the meeting date that you are submitting written testimony for.

August 29, 2022

Please select the agenda items numbers you are submitting written testimony for.

- Agenda Item #4

Please indicate the agenda item numbers you are submitting testimony for and enter your written testimony below:

I have always been mildly autistic. Since reading an acritical form CNN Health about the use of High CBD Cannabis for autism. In the study they referenced kids on the low functioning end of the spectrum were given high CBD Cannabis and their function improved. So, I started using high CBD Cannabis Myself. My handwriting has improved. I can get off it quicker. It helps my full body coordination when I take it orlay. I am more at ease and connectable. This is for 08/29/2021 agenda item #4.

From: [David Pettus](#)
To: [DOH.OMCCR](#)
Subject: [EXTERNAL] Testimony Supporting Dual Use of Cannabis
Date: Thursday, August 25, 2022 11:30:24 AM

Aloha to the Dual Use of Cannabis Task Force

Hawaii can support better lung health by allowing legally regulated dual use of cannabis.

Cannabis prohibition does not cause fewer people to use cannabis. However, it does cause health problems for those who do consume cannabis. Where there is no legally regulated access to cannabis, consumers must rely on unregulated sources who may sell tainted products. That is why EVALI (E-Cigarette or Vaping Associated Lung Injury) is found almost exclusively in states that do not allow legally regulated cannabis access for adult use.

The American Medical Association's JAMA Network published a [study](#) entitled "Association of State Marijuana Legalization Policies for Medical and Recreational Use With Vaping-Associated Lung Disease", in which they found strong evidence that legally regulated access to cannabis for adult use is associated with lower incidence of vaping-related lung injury. Here is their conclusion:

"The data suggest that EVALI cases were concentrated in states where consumers do not have legal access to recreational marijuana dispensaries. This association was not driven by state-level differences in e-cigarette use, and EVALI case rates were not associated with state-level prevalence of e-cigarette use. One possible inference from our results is that the presence of legal markets for marijuana has helped mitigate or may be protective against EVALI."

"The data suggest that EVALI cases were concentrated in states where consumers do not have legal access to recreational marijuana dispensaries. This association was not driven by state-level differences in e-cigarette use, and EVALI case rates were not associated with state-level prevalence of e-cigarette use. One possible inference from our results is that the presence of legal markets for marijuana has helped mitigate or may be protective against EVALI."

I hope Hawaii will move toward better health by permitting both medical and adult use of cannabis.

In Gratefulness,
David Pettus, Ph.D.



From: [REDACTED]
To: DOH.OMCCR
Subject: FW: Submission from Email Us 08/24/2022
Date: Thursday, August 25, 2022 9:24:39 AM

[REDACTED]
[REDACTED]

[REDACTED]
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From: webmaster@hawaii.gov <webmaster@hawaii.gov>
Sent: Wednesday, August 24, 2022 3:29 PM
To: DOH webmaster <DOH.webmaster@doh.hawaii.gov>
Subject: Submission from Email Us 08/24/2022

Name

[REDACTED]

Email

[REDACTED]

[REDACTED] department:

Other

How to contact me back:

- By email

Your Message

HAWAII "HEALTH CARE" ALMOST KILLED ME, AND I AM DAMAGED FOR LIFE BY criminals employed by Hawaiian health care money centers.

Hello,

69 year old retired adults DO NOT "need" a "Task Force" to "control and regulate" and 'CHARGE FEES' for using a medicinal plant. How absolutely ignorant to butt into OUR lives with YOUR psychiatric display of needing to "control" our use of pain medication that grows naturally on planet Earth. Absolutely stupid. We do not need or want your "task force" in our lives. YOU HAVE NO GOD GIVEN RIGHT OR JUSTIFICATION TO CHARGE US A PENNY OR THREATEN TO ARREST FOR HAVING A NATURALIZED ANCIENT PLANT.

HAWAII IS OVERFLOWING WITH FRUDULENT MEDICAL CARE "services," and many other corruptions.

MAKE A NEW LAW EFFECTIVE IMMEDIATELY--CITIZENS OVER THE AGE OF 65 ARE EXEMPT FROM ALL private use MARIJUANA LAWS.

From: webmaster@hawaii.gov
To: [DOH.OMCCR](#)
Subject: WRITTEN TESTIMONY
Date: Sunday, August 28, 2022 4:07:53 AM

Email

[REDACTED]

Name

Shayne Pung

Please enter your phone number

[REDACTED]

Please select the meeting date that you are submitting written testimony for.

August 29, 2022

Please select the agenda items numbers you are submitting written testimony for.

- Agenda Item #1

Please indicate the agenda item numbers you are submitting testimony for and enter your written testimony below:

Not all laws past are good laws. I'll be in the zoom meeting. Aloha

From: webmaster@hawaii.gov
To: [DOH.OMCCR](#)
Subject: WRITTEN TESTIMONY
Date: Sunday, August 28, 2022 12:04:50 PM

Email

[REDACTED]

Name

Derek Derek

Please enter your phone number

[REDACTED]

Please select the meeting date that you are submitting written testimony for.

August 29, 2022

Please select the agenda items numbers you are submitting written testimony for.

- Agenda Item #2

Please indicate the agenda item numbers you are submitting testimony for and enter your written testimony below:

I am submitting written testimony for the August 29, 2022 meeting a agenda item 2.

As the state of Hawaii continues to develop its cannabis program be at recreational or medical it's important to destigmatize cannabis and bring all the parties together. By and large the research required to provide a fact Bass picture of how our program might work has already been done in various states throughout the country. We should take the lessons good and bad that they've learned and utilize their research to cut down on the time and cost of reinventing the wheel.