# New Brunswick's Cannabis Stores To Be Run by Provincial Liquor Board

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New Brunswick is handing over full control of cannabis distribution to its liquor board, following a similar model as Ontario.

The province announced on Wednesday that a subsidiary of NB Liquor would oversee the stand-alone retail storefronts, which will reportedly be in place in time for next July's legalization.

There will be 20 stores in 15 communities, along with an online retailer.

Overall, there will be 20 stores in 15 communities, along with an online retailer. CBC reports that details for online sales have yet to be worked out, but possible options include online ordering with in-store pickup and a delivery service run by trained staff who check ID upon arrival.

The retail spaces will be required to follow strict guidelines, which stipulate staid exteriors with no window displays or advertising, carding customers before they enter the stores, keeping products under glass, and being located at least 300 metres away from schools.

The eastern province has yet to announce legal age of purchase or the price point for recreational marijuana. Global News reports that a legislative committee recently suggested 19 as the minimum age of purchase, which is the same as liquor and tobacco in the province.

Guidelines stipulate stores must have staid exteriors with no window displays or advertising.

In September, New Brunswick announced it was launching a Crown corporation to oversee the sales of recreational cannabis. It has already signed multi-million-dollar agreements with licensed producers Organigram in Moncton and Canopy Growth of Smith Falls, Ont. as its official suppliers. CBC reports that combined, they will sell at least nine million grams a year to NB alone.

At a news conference on Wednesday, New Brunswick's finance minister Cathy Rogers said that while consulting with other regions like Colorado and Washington, where recreational marijuana is legal, New Brunswick officials were advised to give the province control over sales as a starting point.

"Their advice was to start with tight government oversight in the beginning," she said. "We want to ensure that cannabis stays out of the hands of youth and criminals."

NB Liquor chief executive officer Brian Harriman said the stores should be able to deter illegal dealers and in turn, keep the product out of the hands of minors.

"With a regulated controlled market, the size of the illicit market is going to shrink," said Harriman. "It'll never be airtight but we think we can absolutely tighten it up."

Jaime Agnew, president of Local 963 of the Canadian Union of Public Employees, which represents 500 NB Liquor employees, told the CBC he supports the decision since it will spike the number of unionized jobs: "I think the new workers of Cannabis New Brunswick, or whatever it's going to be called, will enjoy our contract and will enjoy the benefits of getting out of the illegal trade and getting into the legal trade, and having a good-paying job with good benefits and all the things that come with being unionized."

Like Ontario's model, New Brunswick's non-medicinal dispensaries will still be considered illegal come July and subject to enforcement by local police.

So far, Ontario and New Brunswick are the only provinces that have outlined plans for sales of recreational marijuana. NB Liquor's request for proposals calls for retail stores to be "substantially complete" one month before legalization on July 1.

# Manitoba to use Best of Public and Private Sectors to Sell Pot

Winnipeg Sun
By Joyanne Pursaga

November 7, 2017

http://winnipegsun.com/news/provincial/1108-potmain

The province's request for proposals on cannabis sales was issued Tuesday and one legalization advocate said the province's plan bodes well for private medicinal marijuana sellers

The Manitoba government will allow only private businesses to offer retail marijuana sales but have the public sector regulate the industry.

Manitoba's Liquor and Gaming Authority will regulate cannabis purchases, storage, distribution and retail, once the federal government legalizes recreational pot sales next year. Premier Brian Pallister said the plan allows each sector to draw from their strengths, helping ensure government-approved sales take over 50% of the retail market for pot within a year after the feds legalize the drug on July 1, 2018.

"We want to push gangs out of this business so we need to be able to expand," Pallister said.

The province's request for proposals on cannabis sales was issued Tuesday, with a submission deadline of Dec. 22. Initial Manitoba retail locations could open by July 2, 2018.

The Pallister government says it will save taxpayer dollars by avoiding investments in new storefronts and won't allow cannabis to be sold in the same stores as alcohol.

Justice Minister Heather Stefanson said the plan will undermine street sales and help keep pot away from kids through "robust" regulation.

"This model will keep the profits of cannabis sales out of the hands of gangs and organized crime by ensuring adequate supply and accessibility," Stefanson said.

All cannabis sold in stores will be purchased through the Manitoba Liquor and Lotteries corporation (MBLL), which will source its product from federally licensed producers. The province didn't dictate the price of marijuana for consumers, commit to a minimum age for legal consumption or reveal how pot will be taxed.

Steven Stairs, president of the Winnipeg 420 Organizing Committee, said the model bodes well for private medicinal marijuana sellers to expand their businesses and share their expertise with customers.

Stairs also agrees the public system is best equipped to regulate the industry.

"Frankly, I think that's a great way to ensure public safety, testing, quality, all these things that a government has the resources to put in place," he said.

Pallister said some restrictions to ensure safety could be set by municipalities, which will be able to ban stores or set limits on where they can be placed.

But some unions argue public sales would have been safer. The Manitoba Government and General Employees' Union (MGEU) said that's because public service staff handling alcohol are already trained to ID customers and refuse sales to intoxicated people.

"What counts first and foremost in a private business is the bottom line and the profit that is made by it. It's not going to be the training of the staff and how (sales) are done," MGEU president Michelle Gawronsky said.

Nahanni Fontaine, Manitoba's NDP justice critic, said she's concerned by unanswered questions on how pot sales will be controlled, including how close to schools the shops will be permitted.

"As the mother of a 15-and-a-half-year-old son, I want to know where the dispensaries are going to be," Fontaine said.

### Need to know: What the province wants in pot proposals

Manitoba's request for proposals for private marijuana retailers lists criteria businesses must meet to sell pot and offers a glimpse at the retail environment the province wants to create. Here are some highlights:

- \* Retailers must pass a security screening process.
- \* Successful applicants should expect to require a licence and submit to criminal record checks.
- \* The province plans to devote a portion of Manitoba Liquor and Lotteries revenues (which will source the product) to responsible consumption and harm-reduction initiatives, including research and treatment.
- \* Stores will not be granted exclusive rights to any geographic area and should be ready to operate in a highly competitive environment.
- \* Cannabis sales could be added to an existing store or be the sole product of a new one.

- \* Cannabis may not be sold by any store that sells alcohol.
- \* Regulations may impose set requirements for product selection, pricing, store size/layout, security, staff training, product storage, record-keeping and order processing.
- \* A variety of "retail structures" will be sought to offer choice for consumers.
- \* Successful applicants should expect to pay both application and annual licence fees.

# Canada: Alberta opts for private retail sales of legalized marijuana

The Globe and Mail By Kelly Cryderman November 16, 2017

Alberta will let the market reign when it comes to bricks-and-mortar cannabis stores - allowing licensed private outlets to spring up across the province, with the numbers and locations being determined mainly by the owner-operators.

However, the Alberta government will also play a major part in the legal recreational cannabis market as it will control and profit from all legal online sales.

Alberta is even leaving the door open to having provincial workers deliver the cannabis packages ordered through a government website, instead of by Canada Post or another courier.

The government argues its proposed law satisfies both the province's desire to bolster entrepreneurial activity - in a place where consumers are long used to private alcohol sales - with what it says is necessary government oversight of online sales to ensure customers' ages are verified. With its main cannabis legislation introduced Thursday, Alberta's NDP government says this hybrid system - different from what has been proposed by other provinces so far - is a good balance.

"This is a major shift for our province and one that has had to be made very quickly, with a lot of complex questions," said Alberta Justice Minister Kathleen Ganley, speaking of the lead-up to Ottawa's planned legalization of recreational cannabis next July.

Under the dual-track system proposed Thursday, Alberta government-run online sales can begin as soon as recreational cannabis is legal.

Private entities will both profit from and bear the cost of setting up physical retail spaces. >From a political point of view, the policy gives a nod to both the business and public-sector union constituencies the NDP government needs to satisfy.

Ms. Ganley said the government decided to take control of website sales specifically because of Albertans' fears that cannabis bought online would end up in the hands of youth. "One thing we heard loud and clear from Albertans is that they're still a little bit

concerned about the online age verification process. So by handing that by way of the government, I think that gives the ability to control that in a way that can allay those fears."

Ms. Ganley said the province could potentially be competing with private, storefront retailers for cannabis sales. But the minister also said a lot of business will flow to bricks-and-mortar stores. She said that, especially in the first few years as the legal market is established, the costs to the provincial government - in terms of areas such as policing, education and health care - will exceed any revenues it will take in. The province does not yet have a forecast for revenues from online sales.

Alberta's legislation, if passed, will set the legal consumption age at 18 - as expected, the same as the drinking age - and would establish provincial offences for any youth possessing even small amounts of cannabis. It sets restrictions on where marijuana can be smoked or vaped.

The legislation would ban the sale of cannabis in the same location as alcohol, pharmaceuticals or tobacco. The bill would also give the Alberta Gaming and Liquor Commission the mandate to oversee distribution and enforcement. It is still unclear which government entity will control the online sales.

More details about the licensing process and requirements will come early in 2018. But owner-operators will face criminal record checks. As retailers seek to locate their stores, they will face minimum setback distances from schools. Owner-operators will be able to set their own prices, and will be able to sell cannabis and cannabis accessories, but not other items (officials noted they couldn't, for instance, sell bags of chips).

There won't be a limit on the number of retail outlets allowed in the province but the government says the commission will have the authority to manage the pace of development.

Ottawa has said it will legalize recreational cannabis by next summer but is leaving the specific implementation plans to individual provinces - creating a patchwork of policies and sales systems across the country. Ontario and Quebec will keep government control of all legal cannabis sales. Manitoba appears to be the only province, so far, to say it will allow private online sales. Quebec said no to any homegrown pot plants as it introduced legislation Thursday, while Alberta said it will follow the federal guideline of allowing up to four plants per household.

OR: OLCC Chief Steve Marks' Candid Conversation About Marijuana Regulation (blog)

Weed News

November 16, 2017

After the Measure 91 legalization initiative passed with over 56% of the vote, the Oregon Liquor Control Commission (OLCC), as the regulatory body in charge of implementing

commercial cannabis rules for the state, had a big job in front of them. That task has forced the OLCC to make tough choices and adapt.

Much more has to be done, of course, but thousands of new jobs later, to go along with more than \$85 million in new revenue for the state, I personally believe the OLCC has done a good job, all things considered. Full disclosure, I was Chief Petitioner of the New Approach Oregon campaign team that tabbed the OLCC as the regulatory agency.

OLCC Executive Director Steve Marks, the top cannabis and alcohol regulator in the state, was kind enough to answer a few of my questions, ahead of his appearance this weekend at the <a href="Oregon Marijuana Business Conference">Oregon Marijuana Business Conference</a> in Ashland, where a panel of OLCC regulators will present the latest information regarding licensing and compliance and answer attendees' questions. We touch upon some challenges, successes, the Donald Trump Administration, and whether the future could include cannabis cafes like Amsterdam and a low-income program to assist medical marijuana patients in need.

Anthony Johnson: You were tasked with leading the implementation of rules a brand-new (regulated) industry in Oregon. Has anything surprised you about this new job?

Steve Marks: Every day was...and continues to be a surprise with the implementation of recreational marijuana in Oregon! But the most surprising thing when we started this effort, given the challenge, was the general lack of controversy. Then Chairman Rob Patridge's leadership had a lot to do with that, so did having the Joint Marijuana Committee of the legislature with Senator Ginny Burdick and Representative Ann Lininger leading a bipartisan charge. And thanks to our decision at OLCC to tap into the industry's expertise in Oregon to help frame the regulatory structure, the state was in a good position to launch this new era of controlled commercial legal marijuana production and sales.

## What have been some of the biggest challenges?

Well it was largely unchartered waters. Colorado and Washington had navigated some of this, but the formation of establishing a grounds up framework was a first time experience for the agency, with each new aspect of regulating marijuana as a challenge in itself. The sheer workload has been a constant challenge. The speed with which we had to contract with the private sector to create licensing and cannabis tracking systems, and launch those systems during a time when policies weren't fully developed was of course a fundamental challenge.

Another primary challenge is the state doesn't do "start-ups" frequently or well. Capitalizing the agency and staffing it to meet the challenge always lags behind. There was no "rear view mirror" of experience and our systems of budgeting and government just aren't very adaptable to that constructive.

How has the politics and work that has gone into regulating marijuana compared to alcohol, beer and wine and other political work that you have done?

So you know I have experience as a policy advisor and then chief of staff to Governor Kitzhaber so dealing with stakeholders and policy issues was routine, but the primary issue difference here was the uncertainty of federal intervention and the fact that we

couldn't rely on federal regulatory systems to dovetail with, as we do on the alcohol side of the agency. So our principal challenge was to meet the mandate of Measure 91 and balancing the regulatory structure that we would create for the production and sale of marijuana with public health and public safety needs. As the primary decision-maker for the first marijuana rules advisory committee, I can tell you that was about as difficult a process as I've ever been involved with in state government. Everyone wanted the opportunity to contribute to the process. As tough as it was I think we established a very good committee that accomplished great work for the industry and the citizens of Oregon.

# Has it been extremely unique or some similarities exist across industries and other issues?

I think what was unique about regulating marijuana was that it was coming directly out of prohibition and very rarely do regulators and government face that kind of fundamental change. Our agency's only experienced this once before - upon the passage of the 21st Amendment, which ended the prohibition...on alcohol. But, the primary difference between this and other sets of issues was the fact that the product remains federally illegal which is a challenge for every aspect of setting up the economic systems for commerce in Oregon.

Oregon's recreational system has created thousands of jobs and brought in over \$85 million in new revenue already. Has the amount of business generated surprised you?

No. Oregon is well known for its craft and artisanal industries - craft distilling, craft brewing, craft winemaking. And craft cannabis. Our markets might not be the biggest, but they're certainly among the best and they've cultivated a worldwide reputation that's been a significant driver in the state's economy. Now that we have proven our mettle and created support for the industry, we need to nurture this market by investing in our business service to improve compliance and enforcement against illegal operations.

# Do you think that regulators and industry participants can be proud of the work so far?

This is the question I wanted to answer because I'm very proud of the industry and I'm proud of the OLCC and Commission and legislature for taking a considered, deliberate and serious approach to implementing regulations for recreational marijuana. I think the work we've been doing together the state should be proud of because Oregon is leading the nation with what I believe is the most overall cogent policy implementation. Again, we may not have programs as big as Colorado and Washington, but other states and jurisdictions that are starting to regulate marijuana are looking to us because of the approach we're taking. We've had some great advantages in accomplishing this work to date and a lot more must be done before we can look back and say it was a success.

Regulators and legislators seem to have adapted a bit to the new Donald Trump regime, particularly with Jeff Sessions as head of the Justice Department. Do you feel the state has taken the necessary steps to ensure that the federal government remains at bay and continues the policy of not interfering with state-legal cannabis businesses?

Oregon's executive branch has made it pretty clear it will defend Oregonians access to regulated cannabis in the face of a Federal challenge. The legislature has spoken too in the form of SB 863 which only allows retailers to keep consumer's info if they opt in, and the legislature also passed and the Governor signed into law SB 1057 which allows recreational licensees to seamlessly switch to becoming exclusive medical licensees if the Federal government intervenes. That said, it's incumbent on all of us involved in this - regulators, industry, consumers, law enforcement and the general public to support the regulated market, to make it work, to improve and make it better. Because complying with the parameters of the Cole Memo is the best approach to satisfying Federal concerns and perceptions.

I understand that you can't endorse any piece of legislation, but do you feel that the OLCC could effectively regulate cannabis consumption businesses, such as the cannabis cafes that exist in Amsterdam?

As we've witnessed in Colorado coming up with an optimal solution to allow public consumption is a challenge. In Oregon a significant challenge is the state's Indoor Clean Air Act. And our agency is further challenged because we regulate the alcohol industry, which the Federal government also has oversight on. So there's a tension that exists over the prospect of allowing cannabis consumption in a location where alcohol consumption takes place, and our commission has been clear that the products do not mix for our regulated environments. All said we need practical answers for consumers and if called on the OLCC can certainly regulate social consumption.

Again, understanding that you aren't endorsing any legislation, but do you feel that the state could take some steps to amend the law to assist low-income patients, such as setting up a plan like OHP or food assistance programs? Or policies to help patients in need to get medicine directly from licensed marijuana businesses?

Oregon's legislature has already shown it was open to accommodating and ensuring access to cannabis medicine for patients who needed it because OLCC licensed stores are able to sell medical grade product - and more than 10 percent of sales from retailers is for medical. Plus medical patients can show their OMMP cards in OLCC licensed stores and get their medicine without paying any sales tax. SB 1057 also provides a "bump-up" for growers to produce an additional 10% of their canopy, and that 75% of what's produced from that extra canopy go to specified cardholders and caregivers for no charge. I think the legislature would be open to additional approaches to ensure patient access if necessary. As a general comment state policy makers are very familiar with creating program to allocate resources to meet the needs of Oregon's low-income and medically vulnerable citizens.

With the experience in Oregon and other legalized states thus far, do you see the momentum for legalization to continue in other states? What about federally, at least treating cannabis like alcohol and freely allowing states to set their own policies? What are some changes in federal law that could happen in the short-term that could benefit Oregon?

It's interesting because recently cannabis regulators from US states and Canada and its provinces recently got together to share best practices and it's clear that while Canada has a federally encompassing regulatory system, there will still be a patchwork of provincial and city regulations. That's similar to what's happening here in the States,

but when the U.S. regulates cannabis at the federal level it will benefit from all the approaches at the state level and be able to pick from the best practices of many states. Frankly the alcohol regulation systems and laws found across the U.S. are balkanized and not necessarily a model the cannabis industry should aspire to emulate.

The OLCC, and the state in general, celebrates the beer, wine and liquor industries and the economic benefit of those. Marijuana isn't quite there yet. Do you see a future where Oregon is touting its cannabis industry in the same type of way?

As I mentioned earlier Oregon celebrates its craft industries which provide a significant contribution to our state's economy. Tourism is tied in to all of those craft industries. Already entrepreneurs are attempting to find creative ways to accommodate tourists who appreciate cannabis in ways that don't run afoul of the law. As the cannabis industry matures Oregon's established tourism industry is positioned to appeal to the market.

## Anything that you would like to add?

Compliance is still the keyword for our agency...and the industry. A well-regulated cannabis industry not only provides public safety and consumer protections, it also helps to ensure a level competitive playing field for our licensees. All our work together has taken us to this good point today and both the OLCC and industry are improving practices and removing the barriers to anyone who wants to "go legal." Our early licensees are pioneers who are creating the future of a safe, controlled system for cannabis consumers that fits into our community structures, local and regional economies and in doing so establishes a standard of equality that all Oregonians can follow.

Thanks for your time, Steve.

Canada: B.C.'s liquor stores want control of recreational pot sales, but not everyone's on board

#### Global News

By Simon Little, Digital Reporter, CKNW November 28, 2017

With the clock ticking down to marijuana legalization in Canada, the debate over who will get to sell it in B.C. is heating up.

An alliance of private liquor stores and the union representing government liquor store workers is making the case that they are best equipped to handle recreational pot sales, but not everyone agrees.

This week, CKNW's the Simi Sara Show invited both sides to make their case.

While private and government liquor stores are usually competitors in B.C., when it comes to pot they're on the same side, and have formed a group called the Responsible Marijuana Retail Alliance of BC to make their case.

"If you look at what governments are concerned about and what citizens are concerned about, they want to keep cannabis out of the hands of minors," Jeff Guignard, executive director of private liquor store industry association ABLE BC, told guest host Mike Smyth.

Guignard drew a distinction between medical marijuana and recreational sales, saying there may be a role for dispensaries on the health side, but that liquor stores are best equipped to handle retail.

"They want to ensure its sold in a very stringently regulated way, that it's warehoused efficiently, that there's appropriate security, background checks on the owners — that to me sounds exactly like the liquor system."

Guignard pointed to the fact that liquor store employees are already trained to ID people, and are required to take the province's Serving it Right program, which would allow them to educate customers about safe consumption.

Having trained staff and a distribution network in place could be crucial to B.C. being able to roll out a legal pot program in time for Ottawa's ambitious summer target, added Stephanie Smith, president of the BC Government and Service Employees' Union (BCGEU).

"We have the infrastructure in place. It's a very tight timeline in terms of turnaround if the legislation from the federal government is tabled in July of next year."

Smith argued that if the province doesn't opt for distribution through liquor stores, it would have to create an entirely new parallel structure — something she said would be both costly and a risk to public safety.

But Kris Sims, B.C. director for the Canadian Taxpayers Federation, thinks handing liquor stores a monopoly on pot sales could strangle the province's nascent pot industry.

"If you have somebody who is excellent at what they do, say they are a real connoisseur, they've got really good lines on really neat products — we don't think you should be shutting down those private small businesses as long as they're responsible."

Sims said she's not against allowing liquor stores to sell marijuana, but said it doesn't make sense to shut other businesses out so long as they play by the rules and keep pot out of the hands of kids.