



# CAOA Comments: Executive Summary



Executive summary of comments submitted to U.S. Senators Cory Booker (D-NJ), Ron Wyden (D-OR), and Chuck Schumer (D-NY) in response to the Cannabis Administration and Opportunity Act (CAOA) discussion draft.



# Overview

This is an executive summary of comments put forth by the [Coalition for Cannabis Policy, Education, and Regulation \(CPEAR\)](#), in response to Senators Booker, Wyden, and Schumer's request to hear from stakeholders about how to responsibly oversee a nationwide cannabis industry. We believe the appropriate federal regulatory approach should prioritize science and data while making substantial progress on the following issues of vital importance:

- Removing criminality that currently keeps consumers and businesses in legal peril.
- Creating a national cannabis economy that will create new jobs and revenue.
- Providing substantial opportunities for small and minority-owned businesses.
- Providing consumers and patients with tested, well-manufactured products.
- Creating a regulatory approach focused on responsible use, legitimate medical use, treating substance abuse, and preventing underage use.
- Supporting science and research that can address issues related to driving, workplace safety, public health, and medical benefits.

Our recommendations seek to address the key challenges to achieving these goals, including:

- Positioning the new federal legal marketplace to capture currently illicit sales.
- Respecting the state systems.
- Evolving the federal regulatory system based on science, data, and best practices.

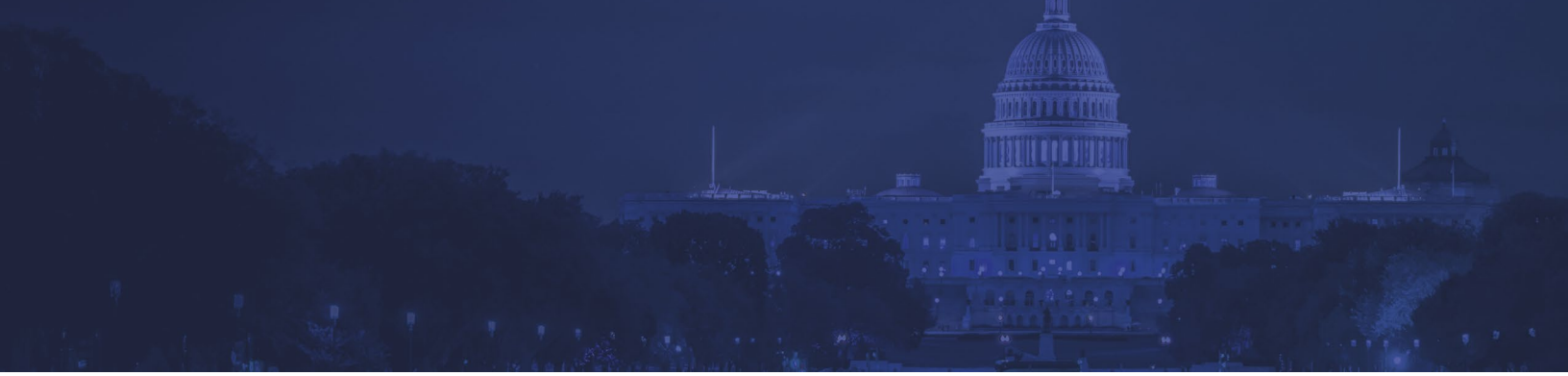
Providing meaningful economic opportunities for small and minority-owned businesses.

## Highlights from our Recommendations

### The Role of Regulators

The federal and state regulators should work together by:

- Demonstrating a preference to defer to state authority when not in conflict with broader public health and social justice goals.
- Explicitly confirming areas of state regulator primacy, including state licensing and time, place, and manner restrictions on sales and distribution.
- Implementing a limited approach to federal preemption, reserved for issues like packaging, labeling, and manufacturing, while allowing states to exceed federal standards on other issues.



Issuing annual reports summarizing best practices from state systems to ensure federal regulators incorporate the learnings of their state peers.

### **Product Standards**

Acknowledging the current regulated intrastate markets, CPEAR believes that federal policymakers should allow most categories of currently available products sold in compliance with state laws and regulations, to remain on the market initially upon federal legalization. The marketplace should also be shaped by the bill's requirements, including packaging and labeling standards and provisions designed to address products designed and marketed to appeal to those under 21. The new cannabis regulator should be granted authority to potentially implement future science-based product standards with the twin goals of advancing product safety and discouraging underage use.

### **Phased Implementation**

Businesses and agencies will need time to achieve compliance with the new statute and subsequent regulatory actions. This timeline must be reconciled against Congressional expectations of a marketplace that reflects product safety and responsible marketing concerns. Our recommended approach is to establish three phases of implementation: statutory requirements that are self-enacting and enforceable on day one, followed by the enactment of regulations, followed by compliance deadlines that can be scaled to meet the regulatory capacities of small businesses.

### **Small and Minority-Owned Businesses**

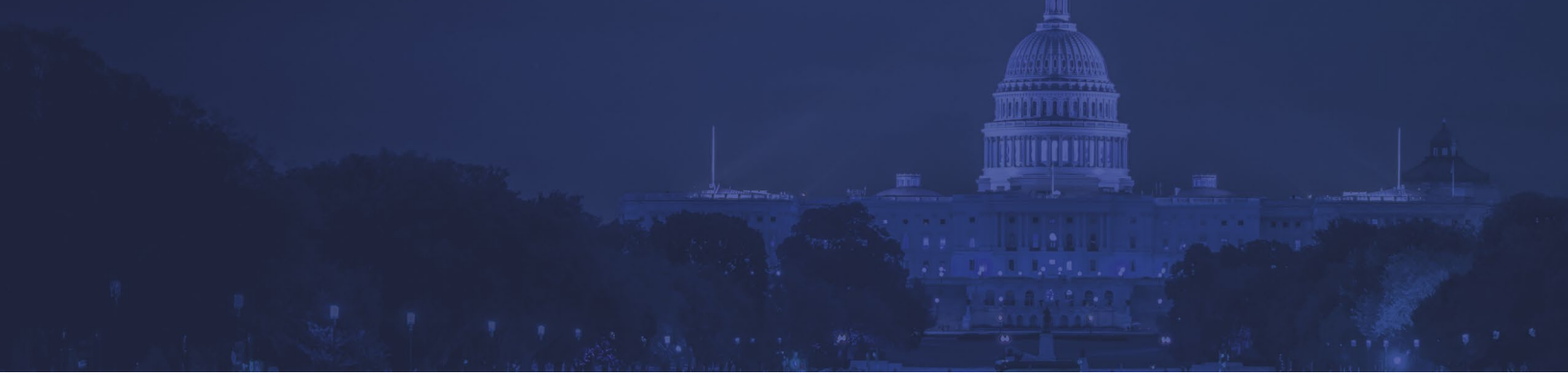
Our comments offer recommendations to achieve the following goals to support small and minority-owned businesses:

- Normalized access to capital from international financial institutions and financial institutions focused on serving underserved/underbanked communities.
- Early market access for small and minority-owned businesses.
- Aiding state and local level programs that have proven and effective evidence of benefitting small and minority-owned cannabis businesses.
- A regulatory system that assures public safety while facilitating small business participation through robust technical and compliance assistance programs.
- An approach that promotes meaningful partnerships between businesses of all sizes.

### **Research**

We support all efforts to advance cannabis science and research. Additionally, we recommend policymakers direct research dollars to institutions serving historically excluded groups.





## Preventing Underage Use

Our comments outline a proactive approach to preventing underage use. Federal regulators and policymakers should work with federal health agencies to develop best practices on underage cannabis use prevention.

## Other Issue Areas

We offer additional comments on topics including impaired driving, environmental sustainability, caregivers and cooperative grows, cannabis use disorder, and dozens of other issues.

[Click here](#) to view our complete set of recommendations.

