



REGULAR MEETING OF COUNCIL

AGENDA

DATE: Monday, March 6, 2017
TIME: 4:30 p.m.
LOCATION: Council Chambers, Enderby City Hall

1. APPROVAL OF AGENDA

2. ADOPTION OF MINUTES

[Regular Meeting Minutes of February 20, 2017](#)

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3. PUBLIC AND STATUTORY HEARINGS

4. PETITIONS AND DELEGATIONS

5. DEVELOPMENT MATTERS

6. BUSINESS ARISING FROM THE MINUTES AND/OR UNFINISHED BUSINESS

7. BYLAWS – 3 Readings

[Parks, Recreation and Culture Fees Imposition Bylaw No. 1578, 2015 Amendment Bylaw No. 1625, 2017](#) – Memo from Chief Financial Officer dated February 23, 2017

pg 9-12

BYLAWS – Adoption

Retail of Marihuana and Medical Marihuana Production:

- [Memo from Planner and Assistant Corporate Officer dated March 2, 2017](#) pg 13-84

- [Business License and Regulation Bylaw No. 1558, 2014 Amendment Bylaw No. 1626, 2017](#)

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- [Fees and Charges Bylaw No. 1479, 2010 Amendment Bylaw No. 1627, 2017](#)

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8. REPORTS

Mayor and Council

9. NEW BUSINESS

- a. [Alyson Witts](#) – Correspondence dated February 21, 2017
Re: City Hall Mural pg 91
- b. [Commission Meeting Pay](#) – Memo from Chief Financial Officer dated
February 27, 2017 pg 92-93
- c. [Tolko Forest Stewardship Plan Amendment Referral 2017](#) – Memo from
Chief Administrative Officer dated March 1, 2017 pg 94-97
- d. [Our Enderby Clean-Up and Volunteer Fair](#) – Memo from Planner and
Assistant Corporate Officer dated March 2, 2017 pg 98-99

10. PUBLIC QUESTION PERIOD

11. CLOSED MEETING RESOLUTION

Closed to the public, pursuant to Section 90 (1) () of the *Community Charter*

12. ADJOURNMENT

THE CORPORATION OF THE CITY OF ENDERBY

Minutes of a **Regular Meeting** of Council held on Monday, February 20, 2017 at 4:30 p.m. in the Council Chambers of City Hall

Present: Mayor Greg McCune
Councillor Tundra Baird
Councillor Brad Case
Councillor Roxanne Davyduke
Councillor Raquel Knust
Councillor Brian Schreiner
Councillor Shawn Shishido

Chief Administrative Officer – Tate Bengtson
Chief Financial Officer – Jennifer Bellamy
Planner and Assistant Corporate Officer – Kurt Inglis
Recording Secretary – Bettyann Kennedy
The Press and Public

APPROVAL OF AGENDA

Moved by Councillor Baird, seconded by Councillor Schreiner that the agenda be approved as circulated.

Carried

ADOPTION OF MINUTES

Regular Meeting Minutes of February 6, 2017

Moved by Councillor Shishido, seconded by Councillor Schreiner that the minutes of the regular meeting of February 6, 2017 be adopted as circulated.

Carried

DEVELOPMENT MATTERS

0012-17-DVP-END

Road Closed Portion of Princess Street

Applicant: City of Enderby

Moved by Councillor Knust, seconded by Councillor Baird that, subject to title being raised to the land, Council authorize the issuance of a Development Variance Permit for the 'Closed Road' portion of Princess Street as shown on the Reference Plan prepared by Mark Budgen dated November 7, 2014, to permit a variance to Section 802.4 of Zoning Bylaw No. 1550, 2014 be reducing the minimum lot area to 700 square meters (7,535 square feet);

AND to permit variances to the following Sections of the Subdivision Servicing and Development Bylaw No. 1278, 2000:

- Section 3.0 of Schedule "A" and Schedule "B" by not requiring connection to a community water system;

- Section 4.0 of Schedule “A” and Schedule “B” by not requiring connection to a community sanitary sewer system; and
- Section 5.0 of Schedule “A” and Schedule “B” by not requiring connection to a community storm drainage system.

AND THAT, subject to title being raised to the land, Council waive the minimum lot frontage requirement of Section 802.6 of Zoning Bylaw No. 1550, 2014 for the ‘Closed Road’ portion of Princess Street as shown on the Reference Plan prepared by Mark Budgen dated November 7, 2014, by reducing the minimum lot frontage from 35 m (114.8 feet) to 16 m (52.49 feet);

AND THAT Council amend its resolution of November 17, 2014 by replacing the words “consolidated with the legally described property” with “linked to the aforementioned legally described property through a ‘No Residential Building/No Transfer Covenant.’”;

AND FURTHER THAT Council authorize the Mayor and Corporate Officer to execute the related agreements and documents on behalf of the City to facilitate the disposal and transfer process.

Carried

BUSINESS ARISING FROM THE MINUTES AND/OR UNFINISHED BUSINESS

Ride Sharing Services in Rural, Remote, and Small Communities – Copy of letter to Minister Fassbender and MLA Kylo dated February 8, 2017

Moved by Councillor Baird, seconded by Councillor Schreiner that the item be received and filed;

AND THAT the topic be considered for a resolution to SILGA and/or UBCM.

Carried

BYLAWS – Adoption

Business License and Regulation Bylaw No. 1558, 2014 Amendment Bylaw No. 1622, 2017
A bylaw to regulate mobile vendors within the City

The public was invited to comment on the bylaw. There were no comments.

Moved by Councillor Baird, seconded by Councillor Schreiner that Business License and Regulation Bylaw No. 1558, 2014 Amendment Bylaw No. 1622, 2017 be adopted.

Carried

Fees and Charges Bylaw No. 1479, 2010 Amendment Bylaw No. 1623, 2017
A bylaw to amend fees and charges bylaw

Moved by Councillor Schreiner, seconded by Councillor Case that Fees and Charges Bylaw No. 1479, 2010 Amendment Bylaw No. 1623, 2017 be adopted.

Carried

BYLAWS – 3 Readings

Retail of Marihuana and Medical Marihuana Production:

Memo from Planner and Assistant Corporate Officer dated February 16, 2017

Business License and Regulation Bylaw No. 1558, 2014 Amendment Bylaw No. 1626, 2017

Fees and Charges Bylaw No. 1479, 2010 Amendment Bylaw No. 1627, 2017

Moved by Councillor Baird, seconded by Councillor Shishido that Council gives three readings to the City of Enderby Business License and Regulation Bylaw No. 1558, 2014 Amendment Bylaw No. 1626, 2017;

AND THAT Council gives notice of its intent to adopt Business License and Regulation Bylaw No. 1558, 2014 Amendment Bylaw No 1626, 2017 by posting a notice on the public notice board at City Hall and provides an opportunity for persons who consider themselves affected by the proposed bylaw to make representations to Council at its regular meeting of March 6, 2017;

AND THAT Council gives three readings to the City of Enderby Fees and Charges Bylaw No. 1479, 2010 Amendment Bylaw No. 1627, 2017;

AND FURTHER THAT Council direct Staff to prepare a bylaw to amend the City of Enderby Zoning Bylaw No. 1550, 2014 in order to regulate medical marihuana production, consistent with the *Access to Cannabis for Medical Purposes Regulations (ACMPR)*, and *marihuana-related businesses*.

Carried

Discussion:

- Monitoring – the City can legally access the business at any reasonable time.
- 100 metres setback from certain other kinds of uses to reduce neighbourhood conflict and ensure that retail is setting up in appropriate areas.
- White papers commissioned by the federal government for legalization are recommending that local government must play a role in regulating land uses and building inspections, among other things.
- There are no existing applicants for medical marihuana dispensing, but this bylaw will get us ahead of the game by getting regulatory conditions in place.

REPORTS

Councillor Knust

- PAC – Discussed community garden at MV Beattie. The owner of Enderberry Farm on Springbend Road is very knowledgeable and willing to help get it started. The PAC is interested, but wants someone to take the lead on the project. PAC wants to support the initiative.
- FACT – They will be setting up at the Seed Swap to try to get more support for the food drop off. They will be making a presentation to the Lions Club regarding HUT expansion.
- INTERAGENCY – A street nurse from Vernon will be in attendance to speak about mental health and substance abuse issues.
- BREAST FEEDING FOUNTAIN – No one has heard any more about this project.

Councillor Schreiner

Councillor Schreiner is working on getting Communities in Bloom re-established in Enderby. Hopefully a committee can be established. Mayor McCune suggested that perhaps another volunteer fair would help the cause.

The CAO was invited to provide an update on snow removal. He said that he hoped the worst of the snow season is behind us. The crew did a great job and have been receiving praise from the community. There have been issues in the commercial area with contractors depositing snow from private parking lots onto the City boulevards. The City is in touch with those contractors to get the snow removed.

The CAO reported that the concept designs for Salmon Arm Drive will be presented to Council during one of the March meetings, with a proposal of how to fund. The project will likely be phased over two years.

Councillor Case

Councillor Case and Baird had a meeting with Splatsin regarding the community dinner. Also discussed was the food bank and how to keep their community centre booked.

There are 10 teams on the waiting list for Funtastic. Splatsin may be getting their fields ready for use.

Councillor Davyduke

- Firemen and spouses did a great job organizing both the Suitcase Dance and Enderbeer fundraisers.
- Snow removal has been excellent this year.
- Chamber strategic planning – starting fresh with City and Community Futures.
- Sheryl Hay of Parks and Recreation did great job with Family Day Physical Literacy program.
- There is an Interagency meeting this week.

Councillor Shishido

- Early years – unplug and play events were well attended.
- Library – Reading programs will focus on school age children. There is not much interest from younger kids.
- EDAC
 - Adam Fitzpatrick will be performing, possibly at the Splatsin Centre. They are considering selling tickets rather than by donation.
 - They will be offering a ukulele workshop.
 - They are looking for suggestion for a public art project for Canada 150.
 - They would like the city to consider the historical significance of the city hall mural in determining its fate.

Councillor Baird

- Looking for period costumes and props circa 1867.

- The renovations at the downtown Kelowna library are great.
- There is an Enderby and District Services Commission budget meeting this Thursday.

Mayor McCune

Mayor McCune reminded Council of the following dates and events:

- Seed Swap – March 4th
- Grad Fashion Show – March 11th
- RCMP annual meeting at Shubert Centre – March 15th
- Greg Kylo coffee stop at Little City Merchants – March 20th from 1:30 – 3:30
- Sicamous hosting a C2C forum at Moose Mulligans – March 23rd from 4 – 8 pm. This will include Sicamous, Enderby, and Splatsin.
- Lion King performance starts tonight at AL Fortune theatre.

Chief Administrative Officer

The CAO reported that there was a general contractor site meeting with BC Housing. They are going through the tender process.

Building Permit Detail Report – January 2017

Moved by Councillor Case, seconded by Councillor Baird that the report be received and filed.
Carried

NEW BUSINESS

Amendment to Mobile Vendor Policy – Memo from Planner and Assistant Corporate Officer dated February 15, 2017

Moved by Councillor Baird, seconded by Councillor Knust that Council adopt the amended Mobile Vendor Policy as circulated.
Carried

PUBLIC QUESTION PERIOD

Jackie Pearase of Rivertalk queried about the tender close date for the Memorial Terrace expansion. The CAO will get the information for her.

Emily Corrie of the Advertiser stated that Armstrong wants to re-visit the cost sharing for transit through RDNO. Mayor McCune responded that Enderby has not expressed a need to look into it further.

ADJOURNMENT

Moved by Councillor Shishido, seconded by Councillor Davyduke that the regular meeting adjourn at 5:35 p.m.

MAYOR

CHIEF ADMINISTRATIVE OFFICER

THE CORPORATION OF THE CITY OF ENDERBY

Agenda

MEMO

To: Tate Bengtson, CAO
From: Jennifer Bellamy, CFO
Date: February 23, 2017
Subject: Parks, Recreation and Culture Fees Bylaw

Recommendation

THAT Council give first, second, and third readings of the bylaw cited as "The Corporation of the City of Enderby Parks, Recreation and Culture Fees Imposition Bylaw No. 1578, 2015 Amendment Bylaw No. 1625, 2017".

Background

The attached amendment bylaw was discussed and approved by the Commission at the February 23, 2017 meeting and proposes the following fee changes:

- Not-for-profit licensed preschool or youth organization - Rentals
 - The fee has been increased from \$17.00/lifeguard/hour to \$17.25/lifeguard/hour to reflect increased lifeguard fees.
- Not-for-profit licensed preschool or youth organization - Drop In
 - A new section has been added for drop in rates. The above rental rate was originally introduced in 2012 to provide an affordable rate to the Enderby Preschool that covered incremental costs; however, this rate was based on the pool actually being rented, where as the Preschool is actually using the pool during drop in sessions.
- Swim Lessons & Programs
 - These two sections have been removed as the fees charged are based on instructor rates and materials and are on a cost recovery basis.
- Ball Diamond Fees
 - These fees have been increased to cover additional field maintenance, which was originally requested and approved by the user groups in 2016. With the purchase of the new tractor-mower, part of the additional maintenance items will be delivered in house at a lower cost, resulting in lower fees than what was previously approved by the user groups.

Respectfully submitted,


Jennifer Bellamy
Chief Financial Officer

THE CORPORATON OF THE CITY OF ENDERBY BYLAW No. 1625

A bylaw to amend Parks, Recreation and Culture Fees Imposition Bylaw No. 1578, 2015

WHEREAS The Council of the Corporation of the City of Enderby has adopted "The Corporation of the City of Enderby Parks, Recreation and Culture Fees Imposition Bylaw No. 1578, 2015";

AND WHEREAS Council wishes to amend the fees;

NOW THEREFORE the Council of the Corporation of the City of Enderby, in open meeting assembled, hereby ENACTS AS FOLLOWS:

1. This Bylaw may be cited as "The Corporation of the City of Enderby Parks, Recreation and Culture Fees Imposition Bylaw No. 1578, 2015 Amendment Bylaw No. 1625, 2017".
2. Schedule "C" and Schedule "D" of "The Corporation of the City of Enderby Parks, Recreation and Culture Fees Imposition Bylaw No. 1578, 2015" are deleted and Schedule "C" and Schedule "D" attached to and forming part of this bylaw are substituted therefore.

READ a FIRST time this ____ day of _____, 2017.

READ a SECOND time this ____ day of _____, 2017.

READ a THIRD time this ____ day of _____, 2017.

ADOPTED this ____ day of _____, 2017.

Mayor

Chief Administrative Officer

SCHEDULE "C" – POOL FEES

Rates effective January 1, 2017			
Drop In (per visit)			
	Per Swim	10-Visit Pass	1-Month Pass
Public Swim – Adult	3.75	33.75	41.25
Public Swim – Youth or Senior	3.50	31.50	38.50
Public Swim – Preschool	2.50	22.50	27.50
Public Swim – Family	9.00	81.00	99.00
Public Swim – Parent & Tot	5.00	n/a	n/a
Toonie Swim	2.00	n/a	n/a
Dash n Splash	6.00	n/a	n/a
Youth Night	5.00	n/a	n/a
Aqua Fit – Youth or Senior	5.75	51.75	57.50
Aqua Fit – Adult	6.00	54.00	60.00
Not-for-profit licensed preschool or youth organization:			
	# of Youth/Preschool	Rate per swim	
	8-12	20.00	
	13-20	32.50	
	21-30	52.50	
	30+	52.50 plus \$2.00 for each additional Youth/Preschool	
Rentals (per hour)			
Up to 50 persons			67.00
51-85 persons			91.50
Swim club			25.00
SD #83			JOINT USE AGREEMENT
Not-for-profit licensed preschool or youth organization			17.25/lifeguard/hr

SCHEDULE "D" – PARK FEES

Rates effective January 1, 2016	
Park Rates	
Grindrod Park overnight camping (per night; ancillary to baseball tournament)	17.75
Riverside Park – Youth (per day; includes ball diamond area)	250.00
Riverside Park – Adult / Commercial (per day; includes ball diamond area)	500.00
Gazebo	
Daily Rental	120.00
Damage Deposit (per rental)	500.00
Kitchen Clean-up (per rental)	52.00
Ball Diamonds	
Adult League (per team per season)	350.00
Minor League (per team per season)	175.00
Non-League (per diamond per day)	91.00
Funtastic	400.00

THE CORPORATION OF THE CITY OF ENDERBY

Agenda

MEMO

To: Tate Bengtson, Chief Administrative Officer
From: Kurt Inglis, Planner and Assistant Corporate Officer
Date: March 2, 2017
Subject: Retail of Marihuana and Medical Marihuana Production

RECOMMENDATION

THAT Council adopts the City of Enderby Business License and Regulation Bylaw No. 1558, 2014 Amendment Bylaw No. 1626, 2017;

AND THAT Council adopts the City of Enderby Fees and Charges Bylaw No. 1479, 2010 Amendment Bylaw No. 1627, 2017.

BACKGROUND

At its regular meeting of February 20, 2017, Council gave three readings to Business License and Regulation Bylaw No. 1558, 2014 Amendment Bylaw No. 1626, 2017 and Fees and Charges Bylaw No. 1479, 2010 Amendment Bylaw No. 1627, 2017. Together, these bylaws propose a business licensing regime for the retail of marihuana which is intended to regulate the speculative development of the marihuana retail sector which is occurring in anticipation of legalization.

Notwithstanding any future zoning bylaw amendments that may have further effect, there are 14 parcels within the community where a marihuana-related business may be permitted under the proposed bylaw; 10 of these parcels are in the northern industrial sector and 4 of the parcels are within the commercial core of the community.

Following an amendment to the City's Zoning Bylaw to encompass the regulation of marihuana-related businesses, if a business operator is not able to meet the applicable regulatory requirements then an application may be made for rezoning or a Zoning Text Amendment (assuming this use has been legalized at the federal level); Council could then consider these applications on a case-by-case basis and a public hearing would be triggered so those who feel they are affected by the application could make their views known to Council.

Under Section 59 of the Community Charter, Council must provide an opportunity for persons who consider they are affected by the City of Enderby Business License and Regulation Bylaw No. 1558, 2014 Amendment Bylaw No. 1626, 2017 to make representations to Council.

The following documents are attached to this memorandum for information:

1. The original Staff memorandum that was advanced to Council at its regular meeting of February 20, 2017;
2. *A Framework for the Legalization and Regulation of Cannabis in Canada* which is the final report developed by the Task Force on Cannabis Legalization and Regulation, intended to aid the Federal government in its commitment to legalize, regulate and restrict access to cannabis; and
3. An article from the *Nanaimo News Bulletin* reporting on Nanaimo marihuana dispensary operators calling for local regulations and licensing of marihuana dispensaries; this article provides an example of how legitimate businesses within the sector can be harmed in the absence of sound land use and business regulations.

Respectfully Submitted,



Kurt Inglis

Planner and Assistant Corporate Officer

Agenda

THE CORPORATION OF THE CITY OF ENDERBY

MEMO

To: Tate Bengtson, Chief Administrative Officer
From: Kurt Inglis, Planner and Assistant Corporate Officer
Date: February 16, 2017
Subject: Retail of Marihuana and Medical Marihuana Production

RECOMMENDATION

THAT Council gives three readings to the City of Enderby Business License and Regulation Bylaw No. 1558, 2014 Amendment Bylaw No. 1626, 2017;

AND THAT Council gives notice of its intent to adopt Business License and Regulation Bylaw No. 1558, 2014 Amendment Bylaw No. 1626, 2017 by posting a notice on the public notice board at City Hall and provides an opportunity for persons who consider themselves affected by the proposed bylaw to make representations to Council at its regular meeting of March 6, 2017;

AND THAT Council gives three readings to the City of Enderby Fees and Charges Bylaw No. 1479, 2010 Amendment Bylaw No. 1627, 2017;

AND FURTHER THAT Council directs Staff to prepare a bylaw to amend the City of Enderby Zoning Bylaw No. 1550, 2014 in order to regulate medical marihuana production, consistent with the *Access to Cannabis for Medical Purposes Regulations (ACMPR)*, and marihuana-related businesses.

BACKGROUND

Given the anticipated evolution of the federal regulation of marihuana, there is a need to provide certainty with regards to the retail of marihuana. While the retail of marihuana is illegal under the Criminal Code, prospective owners of dispensaries and Compassion Clubs are making inquiries and endeavouring to secure locations in anticipation of legalization.

Business license applications for the retail of marihuana have and will continue to be denied on the grounds that this use is not legal. However, the proactive creation of a regulatory framework for the retail of marihuana will provide certainty to this sector about where and on what conditions it may be permitted, if and when legalization occurs.

In order to provide certainty to a sector that is beginning to develop in anticipation of upcoming changes to federal regulations, Staff are proposing a business licensing regime for the retail of marihuana to manage anticipatory and speculative development for the purposes of market position; the key elements of this proposed approach are:

1. It maintains the current practice of not allowing land and business uses in contravention of the Criminal Code (i.e. Business License applications for the retail of marihuana will continue to be denied on the grounds that the use is illegal);
2. It provides clear guidelines to prospective owners of marihuana retail operations about where and on what conditions such operations will be permitted, subject to compliance with the law;
3. It provides a clear basis on which Staff may refuse a business license application, for which the Business License Inspector must provide reasons to the applicant upon request; and
4. The regulatory requirements are similar to those used by other communities throughout the province such as Nelson, Squamish, Victoria and Vancouver.

With regards to *medical* marihuana, the City of Enderby Zoning Bylaw currently regulates medical marihuana production facilities operating under the *Marihuana for Medical Purposes Regulations* (MMPR), which have since been replaced by the *Access to Cannabis for Medical Purposes Regulations* (ACMPR); given that the new regulatory framework has significantly broadened the opportunities for medical marihuana production (including permitting production of marihuana in and outside of residences), which in turn may have a significant impact on the community in terms of neighbourhood conflicts and nuisances, there is a need to amend the City's Zoning Bylaw such that local regulations related to medical marihuana production are responsive to the current context; furthermore, this amendment to City's Zoning Bylaw should also incorporate regulations for marihuana-related businesses, in anticipation of legalization.

History

Medical Marihuana

Between 2001 and March 31, 2014, Health Canada had administered the *Marihuana for Medical Access Program* (MMAP) which granted access to marihuana for medical use. Under this program, those in need applied to Health Canada for an 'Authorization to Possess Marihuana for Medical Purposes' and once they receive this authorization, they could obtain medical marihuana by:

1. Accessing Health Canada's supply of dried marihuana;
2. Producing their own supply of dried marihuana through a Personal-Use Production Licence; or
3. Designating another person to produce a supply of dried marihuana for them through a Designated-Person Production Licence.

Following stakeholder consultations, the Government of Canada opted to revise its regulations; the Government brought the new *Marihuana for Medical Purposes Regulations* (MMPR) into force in June of 2013. The MMAP and MMPR were run concurrently until March 31, 2014 when the MMAP officially ended.

The MMPR aimed to treat marihuana as much as possible like any other drug used for medical purposes by creating conditions for a regulated, commercial production industry.

The Federal Court of Canada's February 2016 decision in *Allard v. Canada* found that requiring individuals to get their marijuana only from licensed producers violated Section 7 of the Canadian Charter of Rights and Freedoms; the Court found that individuals who require marijuana for medical purposes did not have 'reasonable access' under the MMPR, at least at that time.

On August 11, 2016, Health Canada announced the new *Access to Cannabis for Medical Purposes Regulations* (ACMPR). These regulations replace the MMPR and came into force on August 24, 2016. The ACMPR is similar to the MMPR in that it sets out a framework for commercial production by licensed producers responsible for the production and distribution of quality-controlled fresh or dried marijuana or cannabis oil or starting materials (i.e. marijuana seeds and plants) in secure and sanitary conditions; however, under the ACMPR, Canadians who have been authorized by their health care practitioners to access cannabis for medical purposes will also be able to produce a limited amount of cannabis for their own medical purposes, or designate someone to produce it for them, much like what was permitted under the MMAP.

Legalization and Regulation of Marijuana

In the 2015 Speech from the Throne, the Government of Canada committed to legalizing, regulating and restricting access to marijuana more broadly. The Minister of Justice and Attorney General of Canada, supported by the Minister of Public Safety and Emergency Preparedness and the Minister of Health, created a Task Force on Marijuana Legalization and Regulation ("the Task Force"). The Task Force was mandated to consult and provide advice on the design of a new legislative and regulatory framework for legal access to cannabis, consistent with the Government's commitment to legalize, regulate, and restrict access.

Following the consultations, the Task Force developed a final report on cannabis legalization titled '*A Framework for the Legalization and Regulation of Cannabis in Canada*'; this report included recommendations to the federal government on a regulatory system which minimizes harm, establishes a safe and responsible supply chain, enforces public safety and protection, and ensures medical access.

This final report is evidence that the legalization and regulation of marijuana is not a case of 'if' but 'when and how'. In that respect, a proactive approach to ensuring the industry fits into the community of Enderby is critical.

Current Context of Retail of Marijuana

The City of Enderby Business License and Regulation Bylaw No. 1558, 2014 states that all license holders shall be subject to the provisions of the City's bylaws and applicable Provincial and Federal statutes and regulations; given this, business license applications for the retail sale of marijuana will continue to be denied on the grounds that this use is illegal.

Given the evolving regulatory landscape, local governments are trying to find the best approach to address dispensaries and other forms of marijuana retail. This tends to vary with the community context.

Several different approaches have been taken by local governments in addressing this issue. A few local governments have introduced bylaws regulating the businesses, although this does not affect law enforcement's Criminal Code responsibilities, which remain unchanged. Other communities have taken a prohibitive approach, deeming the businesses to be non-conforming and illegal and using enforcement powers and court remedies. Staff are proposing that the Business License and Regulation Bylaw be amended to implement a business licensing regime which endeavours to strike a middle ground by providing certainty to an industry that is beginning to develop in anticipation of upcoming changes to federal regulations, while continuing to deny business license applications until such time as those regulations change. The proposed approach would:

1. Maintain the current practice of not allowing land and business uses in contravention of the Criminal Code; and
2. Provide clear guidelines to prospective owners of marijuana retail operations about where and on what conditions such operations will be permitted, subject to compliance with the Criminal Code.

The intent of this approach is to ensure that commercial investment in anticipation of federal regulatory changes occurs in a manner that is consistent with neighbourhood contexts, land use policy, and regulations at the municipal level. It is also designed to ensure that there is no 'slippage' of retail marijuana uses into inappropriate neighbourhoods as federal regulations change (or loopholes within the existing regulations are exploited), such that the use may be 'grandfathered' as a legally non-conforming use under the City's Zoning Bylaw. Finally, it provides a clear basis on which Staff may refuse a business license application, for which the Business License Inspector must provide reasons to the applicant upon request.

Proposed Business Licensing Regime for Retail of Marijuana

The proposed business licensing regime for the retail of marijuana is consistent with the approaches taken in other communities throughout the province such as Nelson, Squamish, Victoria and Vancouver; the critical difference between the proposed approach and approaches taken by other communities is that City of Enderby would only issue a Business License if the applicant is able to demonstrate that the proposed use is lawful under all applicable Provincial and Federal statutes and regulations.

The key elements of the proposed business licensing regime are:

1. Reducing Neighbourhood Conflict and Ensuring Public Safety:

For the purposes of the Business License and Regulation Bylaw, a marijuana-related business would be defined as, "a business, not-for-profit, charity, cooperative, shared economy venture, or other entity which uses a premises for the consumption, display, storage, sale, trade or other

exchange of marihuana or marihuana-containing products, including but not limited to dispensaries and compassion clubs."

In order to reduce the potential for neighbourhood conflict and to ensure public safety, Staff are proposing that the Business License and Regulation Bylaw include a number requirements for marihuana-related businesses, including:

- Prohibiting the marihuana-related business from being located within 100 meters of any residential zone, daycare facility, preschool, playground, community centre, school, public park, civic or religious institution or any use catering to individuals under the age of 18;
- Prohibiting a person under 19 years of age from entering or remaining on the premises of the marihuana-related business unless accompanied by a parent or guardian;
- Setting restrictions on times when the marihuana-related businesses would be permitted to operate (8:00 am - 7:00 pm);
- Not permitting consumption of marihuana on the premises of the marihuana-related business;
- Requiring the installation and maintenance of an air filtration system that effectively minimizes odour;
- Requiring the installation of video surveillance cameras that monitor all entrances and exits and the interior of the marihuana-related business;
- Requiring a security plan for the premises to ensure that adequate security measures are in place to mitigate risk of theft or robbery;
- Requiring a security and fire alarm contract that includes monitoring at all times during the period for which the licence is being sought;
- Requiring a current police information check for the applicant, each shareholder/officer/director if applicant is a corporation, and each on-site manager;
- Requiring proof of ownership or legal possession of the premises on which the marihuana-related business is to operate;
- Prohibiting the display of items related to marihuana consumption, or advertising or promotion of the use of marihuana, which may reasonably be seen or heard by a minor who is outside the premises; and
- Restricting signs to only those which do not display images and only contain alpha-numeric characters and the marihuana-related business name.

2. Annual Business Licensing:

Currently under the City of Enderby Business License and Regulation Bylaw No. 1558, 2014, businesses are required to obtain a perpetual business license in order to operate within the community. It would be more appropriate to have an annual business licensing requirement for marihuana-related businesses to ensure taxpayers are not bearing the cost burden associated with this sector, which will be considerably higher than most other types of businesses.

3. Annual Business License Fee:

Staff are recommending an annual license fee of \$5,000 which is consistent with Penticton and Nelson, and is reflective of anticipated costs.

It should also be noted that Staff have used the policy direction that was given by Council during the development of the MMPR Zoning provisions in 2014, in order to provide regulatory consistency. These regulations can be strengthened or relaxed over time as the regulatory landscape at the federal level becomes more clear.

Current Context of Medical Marihuana Production

In response to the implementation of the federal *Marihuana for Medical Purposes Regulations* (MMPR), which created conditions for a regulated, commercial medical marihuana production industry, the City of Enderby adopted a set of Zoning provisions in 2014 in order to regulate medical marihuana production facilities; a Medical Marihuana Production Facility (MMPF) is defined in the Zoning Bylaw as:

"A facility used for the production, manufacturing, processing, testing, packaging, and distribution of marihuana and marihuana products for medical purposes as lawfully permitted and authorized through a licence under the Federal Marihuana for Medical Purposes Regulations and which would be considered a business for the purposes of the City of Enderby Business License Regulation Bylaw."

These Zoning regulations only permitted MMPFs on properties located in the Agricultural Land Reserve with a minimum lot area of 5 hectares (12.355 acres); furthermore, all uses were required to occur entirely within an enclosed, standalone building and all buildings were required to be sited a minimum of 30 metres from all property lines and 150 metres of any residential zone, daycare facility, playground, community centre, school, public park, or any use catering individuals under the age of 18.

On August 11, 2016, Health Canada announced the new *Access to Cannabis for Medical Purposes Regulations* (ACMPR) which were designed to provide an immediate solution to address the Allard v. Canada Court judgement. These regulations replaced the MMPR and came into force on August 24, 2016; the ACMPR contain four parts:

- Part 1 is similar to the MMPR. It sets out a framework for commercial production by licensed producers responsible for the production and distribution of quality controlled fresh or dried

marihuana or cannabis oil or starting materials (i.e. marihuana seeds and plants) in secure and sanitary conditions.

- Part 2 is similar to the former MMAR regime. It sets out provisions for individuals to produce a limited amount of cannabis for their own medical purposes or to designate someone to produce it for them.
- Parts 3 and 4 contain transitional provisions, consequential amendments to other regulations that referenced the MMPR, and provisions repealing the MMPR and setting out the coming into force of the ACMPR on August 24, 2016.

Under the ACMPR, Health Canada is now accepting applications from individuals who wish to register to produce a limited amount of cannabis for their own medical purposes or to designate someone to produce cannabis for them. Individuals with a medical need, and who have the authorization of their health care practitioner, are now be able to access cannabis in three ways: they can continue to access quality-controlled cannabis by registering with licensed producers, they can register with Health Canada to produce a limited amount for their own medical purposes, or they can designate someone else to produce it for them.

Those wishing to produce a limited amount of marihuana, or those who have been designated to produce marihuana for someone else, are permitted to grow the plants within or outside their residence or in an alternate location (with the owner's consent). There can be 4 registrations for the production of cannabis at the same location, although growers are only allowed to take care of the plants that they are registered to grow. A designated person is permitted to produce for a maximum of two individuals including him/herself. The ACMPR have formulas that indicate how many plants can be grown and how much cannabis can be stored, based on the daily quantity of dried marihuana authorized in the registered person's medical document.

Although there are limits on the number of registrations for medical marihuana production at a single location, and there are caps on the number of plants that can be grown under each registration, the ACMPR has in effect de-centralized the production of medical marihuana which could have significant impacts on communities at the neighbourhood level.

Proposed Regulatory Framework for Medical Marihuana Production and Marihuana-Related Businesses

Given that this new federal framework has broadened the opportunities for medical marihuana production (including permitting production of marihuana in and outside of residences), which may have a significant impact on the community in terms of neighbourhood conflicts and nuisances (odour, security concerns, etc.), it is recommended that Council directs Staff to prepare a bylaw to amend the City of Enderby Zoning Bylaw No. 1550, 2014 such that local regulations related to medical marihuana production are responsive to the current context and are aligned with the existing federal regulatory framework. Furthermore, it is recommended that the bylaw to amend the City of Enderby Zoning Bylaw

No. 1550, 2014 also encompasses the regulation of marihuana-related businesses; such regulations could relate to restricting which zones a marihuana-related businesses use could occur in (should this use be legalized), setbacks from particular uses such as schools and playgrounds, siting and dimensions of buildings, etc.

Staff anticipate that the process of updating the zoning regulations would be integrated into the City's regular Zoning Bylaw review which is scheduled for the spring of 2017.

Respectfully Submitted,



Kurt Inglis
Planner and Assistant Corporate Officer

A FRAMEWORK FOR THE LEGALIZATION AND REGULATION OF CANNABIS IN CANADA

THE FINAL REPORT OF THE TASK FORCE ON CANNABIS LEGALIZATION AND REGULATION



Government
of Canada

Gouvernement
du Canada

Canada

Health Canada is the federal department responsible for helping the people of Canada maintain and improve their health. We assess the safety of drugs and many consumer products, help improve the safety of food, and provide information to Canadians to help them make healthy decisions. We provide health services to First Nations people and to Inuit communities. We work with the provinces to ensure our health care system serves the needs of Canadians.

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**A FRAMEWORK FOR THE LEGALIZATION AND
REGULATION OF CANNABIS IN CANADA**

**THE FINAL REPORT OF THE TASK FORCE ON CANNABIS
LEGALIZATION AND REGULATION**

NOVEMBER 30, 2016

NOVEMBER 30, 2016

The Honourable Jody Wilson-Raybould
Minister of Justice and Attorney General of Canada

The Honourable Jane Philpott
Minister of Health

The Honourable Ralph Goodale
Minister of Public Safety and Emergency Preparedness

Dear Ministers,

Please find attached the final report of the Task Force on Cannabis Legalization and Regulation.

This report is the product of our consultations with Canadians, provincial, territorial and municipal governments, Indigenous governments and representative organizations, youth, patients and experts in relevant fields.

It has been a privilege to consult with so many people over the last five months, and we are deeply thankful to all those who provided their input, time and energy to us.

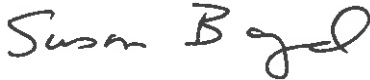
We hope that this report will be useful to you and your Cabinet colleagues as you move forward with the legalization and regulation of cannabis.



A. Anne McLellan (Chair)



Mark A. Ware (Vice Chair)



Susan Boyd (Member)



George Chow (Member)



Marlene Jesso (Member)



Perry Kendall (Member)



Raf Souccar (Member)



Barbara von Tigerstrom (Member)



Catherine Zahn (Member)

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FOREWORD

When the Task Force first assembled in June 2016, we each brought a range of individual perspectives on cannabis. Over the months that followed, we came to appreciate the collective importance of our varied viewpoints and to recognize the potential impact of our work. This report is the result of a truly national collaboration, and we are proud to have been involved in it.

We have discovered that the regulation of cannabis will touch every aspect of our society. One of the predominant features of our deliberations has been the diversity of opinions, emotions and expertise expressed by those who came forward. People and organizations gave generously of their time and reflections. We explored the issue in remote corners of Canada as well as outside our borders. We heard from parents, patients, practitioners, politicians, police and the media. Our focus ranged from global treaty obligations to the homes and municipalities in which we live. We heard anxiety about such things as driving, youth access and “sending the wrong message,” but we also heard a desire to move away from a culture of fear around cannabis and to acknowledge the existence of more positive medical and social attributes. Meanwhile, as we went about our mandate, dispensaries continued to challenge communities and law enforcement, new research findings emerged, new regulations appeared, and the media shone their light on issues of quality and regulatory gaps.

Because of this complexity and diversity of input, and the challenges associated with designing a new regulatory framework, we recognize that there will be much discussion around the implications of our recommendations. However, like scraping ice from the car windows on a cold winter morning, we believe that we can now see enough to move forward.

The current paradigm of cannabis prohibition has been with us for almost 100 years. We cannot, and should not, expect to turn this around overnight.



Anne McLellan
Chair

Ottawa, November 2016

While moving away from cannabis prohibition is long overdue, we may not anticipate every nuance of future policy; after all, our society is still working out issues related to the regulation of alcohol and tobacco. We are aware of the shortcomings in our current knowledge base around cannabis and the effects of cannabis on human health and development. As a result, the recommendations laid out in this report include appeals for ongoing research and surveillance, and a flexibility to adapt to and respond to ongoing and emerging policy needs.

This report is a synthesis of Canadian values, situated in the times in which we live, combined with our shared experiences and concerns around a plant and its products that have touched many lives in many ways. For millennia, people have found ways to interact with cannabis for a range of medical, industrial, spiritual and social reasons, and modern science is only just beginning to unpack the intricacies of cannabinoid pharmacology. We are now shaping a new phase in this relationship and, as we do so, we recognize our stewardship not just of this unique plant but also of our fragile environment, our social and corporate responsibilities, and our health and humanity. This report is a beginning; we all have a role to play in the implementation of this new, transformative public policy.

In closing, we recognize and thank all those who contributed to our work, in particular our colleagues on the Task Force, the Secretariat and Eric Costen, who provided outstanding leadership. We formally acknowledge Prime Minister Justin Trudeau for his vision in initiating this process and for seeing it through. Finally, we thank the Ministers of Health, Justice and Public Safety for trusting us to prepare and deliver this report. On behalf of all Canadians, we now place our trust in our Government to enable and enact the processes required to make the legalization and regulation of cannabis a reality.



Mark A. Ware
Vice Chair

EXECUTIVE SUMMARY

INTRODUCTION: MANDATE, CONTEXT AND CONSULTATION PROCESS

On June 30, 2016, the Minister of Justice and Attorney General of Canada, the Minister of Public Safety and Emergency Preparedness, and the Minister of Health announced the creation of a nine-member Task Force on Cannabis Legalization and Regulation (“the Task Force”). Our mandate was to consult and provide advice on the design of a new legislative and regulatory framework for legal access to cannabis, consistent with the Government’s commitment to “legalize, regulate, and restrict access.”

To fulfill our mandate, we engaged with provincial, territorial and municipal governments, experts, patients, advocates, Indigenous governments and representative organizations, employers and industry. We heard from many other Canadians as well, including many young people, who participated in an online public consultation that generated nearly 30,000 submissions from individuals and organizations. The Task Force looked internationally (e.g., Colorado, Washington State, Uruguay) to learn from jurisdictions that have legalized cannabis for non-medical purposes, and we drew lessons from the way governments in Canada have regulated tobacco and alcohol, and cannabis for medical purposes.

A Discussion Paper prepared by the Government, entitled “Toward the Legalization, Regulation and Restriction of Access to Marijuana,” informed the Task Force’s work and helped to focus the input of many of the people from whom we heard. The Discussion Paper identified nine public policy objectives. Chief among these are keeping cannabis out of the hands of children and youth and keeping profits out of the hands of organized crime. The Task Force set out guiding principles as the foundation of our advice to Ministers: protection of public health and safety, compassion, fairness, collaboration, a commitment to evidence-informed policy and flexibility.

In considering the experience of other jurisdictions and the views of experts, stakeholders and the public, we sought to strike a balance between implementing appropriate restrictions, in order to minimize the harms associated with cannabis use, and providing adult access to a regulated supply of cannabis while reducing the scope and scale of the illicit market and its social harms. Our recommendations reflect a public health approach to reduce harm and promote health.

We also took a precautionary approach to minimize unintended consequences, given that the relevant evidence is often incomplete or inconclusive.

MINIMIZING HARMS OF USE

In taking a public health approach to the regulation of cannabis, the Task Force proposes measures that will maintain and improve the health of Canadians by minimizing the harms associated with cannabis use.

This approach considers the risks associated with cannabis use, including the risks of developmental harms to youth; the risks associated with patterns of consumption, including frequent use and co-use of cannabis with alcohol and tobacco; the risks to vulnerable populations; and the risks related to interactions with the illicit market. In addition to considering scientific evidence and input from stakeholders, the Task Force examined how other jurisdictions have attempted to minimize harms of use. We examined a range of protective measures, including a minimum age of use, promotion and advertising restrictions, and packaging and labelling requirements for cannabis products.

In order to minimize harms, the Task Force recommends that the federal government:

- ▶ Set a national minimum age of purchase of 18, acknowledging the right of provinces and territories to harmonize it with their minimum age of purchase of alcohol
- ▶ Apply comprehensive restrictions to the advertising and promotion of cannabis and related merchandise by any means, including sponsorship, endorsements and branding, similar to the restrictions on promotion of tobacco products
- ▶ Allow limited promotion in areas accessible by adults, similar to those restrictions under the *Tobacco Act*
- ▶ Require plain packaging for cannabis products that allows the following information on packages: company name, strain name, price, amounts of delta-9-tetrahydrocannabinol (THC) and cannabidiol (CBD) and warnings and other labelling requirements

- ▶ Impose strict sanctions on false or misleading promotion as well as promotion that encourages excessive consumption, where promotion is allowed
- ▶ Require that any therapeutic claims made in advertising conform to applicable legislation
- ▶ Resource and enable the detection and enforcement of advertising and marketing violations, including via traditional and social media
- ▶ Prohibit any product deemed to be “appealing to children,” including products that resemble or mimic familiar food items, are packaged to look like candy, or packaged in bright colours or with cartoon characters or other pictures or images that would appeal to children
- ▶ Require opaque, re-sealable packaging that is childproof or child-resistant to limit children’s access to any cannabis product
- ▶ Additionally, for edibles:
 - ▷ Implement packaging with standardized, single servings, with a universal THC symbol
 - ▷ Set a maximum amount of THC per serving and per product
- ▶ Prohibit mixed products, for example cannabis-infused alcoholic beverages or cannabis products with tobacco, nicotine or caffeine
- ▶ Require appropriate labelling on cannabis products, including:
 - ▷ Text warning labels (e.g., “KEEP OUT OF REACH OF CHILDREN”)
 - ▷ Levels of THC and CBD
 - ▷ For edibles, labelling requirements that apply to food and beverage products
- ▶ Create a flexible legislative framework that could adapt to new evidence on specific product types, on the use of additives or sweeteners, or on specifying limits of THC or other components
- ▶ Provide regulatory oversight for cannabis concentrates to minimize the risks associated with illicit production
- ▶ Develop strategies to encourage consumption of less potent cannabis, including a price and tax scheme based on potency to discourage purchase of high-potency products
- ▶ Require all cannabis products to include labels identifying levels of THC and CBD
- ▶ Enable a flexible legislative framework that could adapt to new evidence to set rules for limits on THC or other components
- ▶ Develop and implement factual public education strategies to inform Canadians as to risks of problematic use and lower-risk use guidance
- ▶ Conduct the necessary economic analysis to establish an approach to tax and price that balances health protection with the goal of reducing the illicit market
- ▶ Work with provincial and territorial governments to determine a tax regime that includes equitable distribution of revenues
- ▶ Create a flexible system that can adapt tax and price approaches to changes within the marketplace
- ▶ Commit to using revenue from cannabis as a source of funding for administration, education, research and enforcement
- ▶ Design a tax scheme based on THC potency to discourage purchase of high-potency products
- ▶ Implement as soon as possible an evidence-informed public education campaign, targeted at the general population but with an emphasis on youth, parents and vulnerable populations
- ▶ Co-ordinate messaging with provincial and territorial partners
- ▶ Adapt educational messages as evidence and understanding of health risks evolve, working with provincial and territorial partners
- ▶ Facilitate and monitor ongoing research on cannabis and impairment, considering implications for occupational health and safety policies

- ▶ Work with existing federal, provincial and territorial bodies to better understand potential occupational health and safety issues related to cannabis impairment
- ▶ Work with provinces, territories, employers and labour representatives to facilitate the development of workplace impairment policies

The Task Force further recommends that:

- ▶ In the period leading up to legalization, and thereafter on an ongoing basis, governments invest effort and resources in developing, implementing and evaluating broad, holistic prevention strategies to address the underlying risk factors and determinants of problematic cannabis use, such as mental illness and social marginalization
- ▶ Governments commit to using revenue from cannabis regulation as a source of funding for prevention, education and treatment

ESTABLISHING A SAFE AND RESPONSIBLE SUPPLY CHAIN

The cannabis supply chain includes production (including cultivation and manufacturing), distribution and retail. As part of our deliberations, we considered the most appropriate roles for the federal, provincial, territorial and local governments, given their areas of responsibility, capacity and experience. We were asked to give consideration to the participation of smaller producers, to the environmental impact of production, and to the regulation of industrial hemp under a new system. We heard about the pros and cons of different models for the retail market and about concerns regarding the sale of cannabis in the same location as alcohol or tobacco. We examined the question of personal cultivation in light of the experience of other jurisdictions, as well as the opinions of experts and the Canadian public.

To this end, the Task Force recommends that the federal government:

- ▶ Regulate the production of cannabis and its derivatives (e.g., edibles, concentrates) at the federal level, drawing on the good production practices of the current cannabis for medical purposes system

- ▶ Use licensing and production controls to encourage a diverse, competitive market that also includes small producers
- ▶ Implement a seed-to-sale tracking system to prevent diversion and enable product recalls
- ▶ Promote environmental stewardship by implementing measures such as permitting outdoor production, with appropriate security measures
- ▶ Implement a fee structure to recover administrative costs (e.g., licensing)
- ▶ Regulate CBD and other compounds derived from hemp or from other sources

The Task Force recommends that the wholesale distribution of cannabis be regulated by provinces and territories and that retail sales be regulated by the provinces and territories in close collaboration with municipalities. The Task Force further recommends that the retail environment include:

- ▶ No co-location of alcohol or tobacco and cannabis sales, wherever possible. When co-location cannot be avoided, appropriate safeguards must be put in place
- ▶ Limits on the density and location of storefronts, including appropriate distance from schools, community centres, public parks, etc.
- ▶ Dedicated storefronts with well-trained, knowledgeable staff
- ▶ Access via a direct-to-consumer mail-order system

The Task Force recommends allowing personal cultivation of cannabis for non-medical purposes with the following conditions:

- ▶ A limit of four plants per residence
- ▶ A maximum height limit of 100 cm on the plants
- ▶ A prohibition on dangerous manufacturing processes
- ▶ Reasonable security measures to prevent theft and youth access
- ▶ Oversight and approval by local authorities

ENFORCING PUBLIC SAFETY AND PROTECTION

We believe that the new legal regime must be clear to the public and to law enforcement agencies, with enforceable rules and corresponding penalties that are proportional to the contravention.

In formulating our recommendations, we considered various ways of dealing with those who break the law and contravene rules, ranging from administrative to criminal sanctions. We were urged to avoid criminalizing youth. We looked at questions of personal possession limits and the public consumption of cannabis, and considered whether existing laws or a new law would provide the most appropriate legal framework for the new system.

We carefully considered the scientific and legal complexities surrounding cannabis-impaired driving, recognizing the concerns of Canadians about this issue. We learned of the various approaches used to address cannabis-impaired driving both in Canada and abroad, including the possibility of establishing a *per se* limit for THC—that is, a level deemed to be consistent with significant psychomotor impairment and increased risk of crash involvement. Our recommendations reflect the fact that the current scientific understanding of cannabis impairment has gaps and that more research and evidence, investments in law enforcement capacity, technology and tools, and comprehensive public education are needed urgently.

To this end, the Task Force recommends that the federal government:

- ▶ Implement a set of clear, proportional and enforceable penalties that seek to limit criminal prosecution for less serious offences. Criminal offences should be maintained for:
 - ▷ Illicit production, trafficking, possession for the purposes of trafficking, possession for the purposes of export, and import/export
 - ▷ Trafficking to youth
- ▶ Create exclusions for “social sharing”
- ▶ Implement administrative penalties (with flexibility to enforce more serious penalties) for contraventions of licensing rules on production, distribution, and sale

- ▶ Consider creating distinct legislation—a “*Cannabis Control Act*”—to house all the provisions, regulations, sanctions and offences relating to cannabis
- ▶ Implement a limit of 30 grams for the personal possession of non-medical dried cannabis in public with a corresponding sales limit for dried cannabis
- ▶ Develop equivalent possession and sales limits for non-dried forms of cannabis

The Task Force recommends that jurisdictions:

- ▶ Extend the current restrictions on public smoking of tobacco products to the smoking of cannabis products and to cannabis vaping products
- ▶ Be able to permit dedicated places to consume cannabis such as cannabis lounges and tasting rooms, if they wish to do so, with no federal prohibition. Safeguards to prevent the co-consumption with alcohol, prevent underage use, and protect health and safety should be implemented

With respect to impaired driving, the Task Force recommends that the federal government:

- ▶ Invest immediately and work with the provinces and territories to develop a national, comprehensive public education strategy to send a clear message to Canadians that cannabis causes impairment and that the best way to avoid driving impaired is to not consume. The strategy should also inform Canadians of:
 - ▷ the dangers of cannabis-impaired driving, with special emphasis on youth; and
 - ▷ the applicable laws and the ability of law enforcement to detect cannabis use
- ▶ Invest in research to better link THC levels with impairment and crash risk to support the development of a *per se* limit
- ▶ Determine whether to establish a *per se* limit as part of a comprehensive approach to cannabis-impaired driving, acting on findings of the Drugs and Driving Committee, a committee of the Canadian Society of Forensic Science, a professional organization of scientists in the various forensic disciplines

- ▶ Re-examine *per se* limits should a reliable correlation between THC levels and impairment be established
- ▶ Support the development of an appropriate roadside drug screening device for detecting THC levels, and invest in these tools
- ▶ Invest in law enforcement capacity, including Drug Recognition Experts and Standardized Field Sobriety Test training and staffing
- ▶ Invest in baseline data collection and ongoing surveillance and evaluation in collaboration with provinces and territories

The Task Force further recommends that all governments across Canada consider the use of graduated sanctions ranging from administrative sanctions to criminal prosecution depending on the severity of the infraction. While it may take time for the necessary research and technology to develop, the Task Force encourages all governments to implement elements of a comprehensive approach as soon as feasible, including the possible use of administrative sanctions or graduated licensing with zero tolerance for new and young drivers.

MEDICAL ACCESS

Canada's medical cannabis regime was created and then shaped over time by the federal government's response to successive court rulings regarding reasonable access. Today, medical cannabis falls within the purview of the *Access to Cannabis for Medical Purposes Regulations* (ACMPR).

In formulating our recommendations, we considered various aspects of access, including affordability, strains, potency, quality and adequacy of supply. We deliberated on the fundamental question of whether Canada should have a single system or two parallel systems, including separate access for medical cannabis. We also considered the strengths and weaknesses of the country's current medical cannabis system and regulations.

We considered the views and experiences of patients and their advocacy organizations, the medical community, other jurisdictions and the public. While opinions of stakeholders may differ on some key questions, there is consensus on the need for more research aimed at understanding, validating and approving cannabis-based medicines.

In our view, the outcomes of such research will be necessary to determine the need for and features of a separate system for cannabis for medical purposes. However, as the new regulatory regime is established, it is important that the federal government continue to provide patients with reasonable access to cannabis for medical purposes, while contributing to the integrity of the overall cannabis regime and minimizing the potential for abuse and diversion.

To this end, the Task Force recommends that the federal government:

- ▶ Maintain a separate medical access framework to support patients
- ▶ Monitor and evaluate patients' reasonable access to cannabis for medical purposes through the implementation of the new system, with action as required to ensure that the market provides reasonable affordability and availability and that regulations provide authority for measures that may be needed to address access issues
- ▶ Review the role of designated persons under the ACMPR with the objective of eliminating this category of producer
- ▶ Apply the same tax system for medical and non-medical cannabis products
- ▶ Promote and support pre-clinical and clinical research on the use of cannabis and cannabinoids for medical purposes, with the aim of facilitating submissions of cannabis-based products for market authorization as drugs
- ▶ Support the development and dissemination of information and tools for the medical community and patients on the appropriate use of cannabis for medical purposes
- ▶ Evaluate the medical access framework in five years

IMPLEMENTATION

The successful implementation of a regulatory framework for cannabis will take time and require that governments meet a number of challenges with respect to capacity and infrastructure, oversight, co-ordination and communications.

Capacity: Canada's governments will need to move swiftly to increase or create capacity in many areas relating to the production and sale of cannabis. Success requires federal leadership, co-ordination and investment in research and surveillance, laboratory testing, licensing and regulatory inspection, training for law enforcement and others, and the development of tools to increase capacity ahead of regulation.

Oversight: To be satisfied that the system is minimizing harms as intended, it will need close monitoring and rapid reporting of results in a number of areas, including regulatory compliance and population health.

Co-ordination: The federal, provincial, territorial, municipal and Indigenous governments will need to work together on information and data sharing and co-ordination of efforts to set up and monitor all of the components of the new system. The Task Force believes that Canada should prioritize engagement of Indigenous governments and representative organizations, as we heard from Indigenous leaders about their interest in their communities' participation in the cannabis market.

Communications: We heard from other jurisdictions about the importance of communicating early, consistently and often with the general public. Youth and parents will need the facts about cannabis and its effects. Actors in the new system—including employers, educators, law enforcement, industry, health-care practitioners and others—will require information tailored to their specific roles.

To this end, the Task Force recommends that the federal government:

- ▶ Take a leadership role to ensure that capacity is developed among all levels of government prior to the start of the regulatory regime
- ▶ Build capacity in key areas, including laboratory testing, licensing and inspection, and training
- ▶ Build upon existing and new organizations to develop and co-ordinate national research and surveillance activities
- ▶ Provide funding for research, surveillance and monitoring activities
- ▶ Establish a surveillance and monitoring system, including baseline data, for the new system
- ▶ Ensure timely evaluation and reporting of results
- ▶ Mandate a program evaluation every five years to determine whether the system is meeting its objectives
- ▶ Report on the progress of the system to Canadians
- ▶ Take a leadership role in the co-ordination of governments and other stakeholders to ensure the successful implementation of the new system
- ▶ Engage with Indigenous governments and representative organizations to explore opportunities for their participation in the cannabis market
- ▶ Provide Canadians with the information they need to understand the regulated system
- ▶ Provide Canadians with facts about cannabis and its effects
- ▶ Provide specific information and guidance to the different groups involved in the regulated cannabis market
- ▶ Engage with Indigenous communities and Elders to develop targeted and culturally appropriate communications
- ▶ Ensure that Canada shares its lessons and experience with the international community

These recommendations, taken together, present a new system of regulatory safeguards for legal access to cannabis that aim to better protect health and to enhance public safety. Their successful implementation requires the engagement and collaboration of a wide range of stakeholders. We believe that Canada is well-positioned to undertake the complex task of legalizing and regulating cannabis carefully and safely.

CHAPTER 1

INTRODUCTION

We begin our report by thanking those Canadians, experts, youth, Indigenous leaders, Elders, stakeholder organizations, government representatives, researchers, advocates, and patients, who took the time to participate in this consultation. Your views, advice and experiences have been insightful and invaluable.

We are thankful for the counsel provided by Mr. Bill Blair, the Parliamentary Secretary to the Minister of Justice, who served as Government liaison to the Task Force.

We are also grateful for the assistance and support provided by the federal Cannabis Legalization and Regulation Secretariat in helping us fulfill our mandate. Their continuous help with logistics, research, and communications gave us the freedom to focus on the content and meaning of the input received. We note our gratitude for the briefings provided by federal, provincial and territorial government officials to help guide our work. We would also like to note our appreciation for the support provided by the Canadian Consulates General in the states of Colorado and Washington during our study tours. Finally, we would like to thank Hill+Knowlton Strategies for their assistance in analyzing and synthesizing the nearly 30,000 submissions to the online questionnaire.

OUR MANDATE

On June 30, 2016, the Minister of Justice and Attorney General of Canada, the Minister of Public Safety and Emergency Preparedness, and the Minister of Health announced the creation of a Task Force on Cannabis Legalization and Regulation (“the Task Force”). Comprised of nine Canadians of varied experience and backgrounds, the Task Force was given a mandate to consult and provide advice to the Government of Canada on the design of a new legislative and regulatory framework for legal access to cannabis, consistent with the Government’s commitment to “legalize, regulate, and restrict access” as set out in its December 2015 Speech from the Throne.

In carrying out this mandate, we were asked to engage with provincial, territorial and municipal governments, Indigenous governments and representative organizations, youth, patients and experts in relevant fields, including but not limited to: public health, substance use, criminal justice, law enforcement, economics and industry and those groups with expertise in production, distribution and sales of cannabis. The initial questions that formed the core of our consultations were elaborated for us in a Discussion Paper prepared by the Government, entitled *Toward the Legalization, Regulation and Restriction of Access to Marijuana* (Annex 4). This document proved to be a valuable resource in framing our early thinking, questions, and deliberations, as well as a stimulus for the thoughtful input we sought and received.

This report summarizes the views shared with the Task Force throughout our engagement activities and presents advice on a new system for regulated access to cannabis, responding to our mandate, the questions set out in the Discussion Paper and the issues that arose during our consultations.

THE CANADIAN CONTEXT

This Task Force report follows in the footsteps of earlier parliamentary exercises over the last 35 years that have considered questions regarding cannabis law reform in Canada: notably, in the early 1970s, the *Commission of Inquiry into the Non-medical Use of Drugs (the Le Dain Commission)*; in 1996, the *Standing Senate Committee on Legal and Constitutional Affairs*; and, in 2002, the *Senate Special Committee on Illegal Drugs*. The reports published by these committees provided detailed analyses and recommendations that remain relevant today.

Canada has significant experience with cannabis use and cultivation. Despite the existence of serious criminal penalties for possessing, producing, and selling cannabis (cannabis possession offences account for half of all police-reported drug charges—49,577 of 96,423 total in 2015), the Canadian Tobacco, Alcohol and Drugs Survey from 2015 found that 10%

of adult Canadians (25 years and older) report having used cannabis at least once in the past year and over one-third reported using cannabis at least once in their lifetime. Additionally, Canadian youth are more likely to consume cannabis (in the past year, 21% of those aged 15–19, and 30% of those aged 20–24) than adult Canadians or their peers worldwide. In view of these statistics, it is unsurprising that cannabis is widely available throughout Canada and that a well-established cannabis market exists in Canada. Parallel to this illicit commercial market is a “cannabis culture,” which is a widespread and deep rooted network that emphasizes the social and cultural aspects of cannabis use and the sharing of information on its cultivation.

Canada’s experience with legal cannabis regulation can be attributed, at least in part, to successive court decisions over recent years which resulted in the evolution of a framework of legal access to cannabis for medical purposes. This model has evolved over the past two decades, from one that initially provided individual exemptions to enable medical patients to possess cannabis for their personal consumption, to a system of federal licensure that allows patients, with the support of their physicians, to obtain cannabis from a licensed producer, to cultivate their own cannabis, or to designate someone to cultivate it on their behalf. Taken together, our experiences with these approaches have enabled the establishment of a system of cannabis production and sale that informs our thinking around the regulation of cannabis for non-medical purposes.

A sophisticated commercial industry that cultivates and distributes cannabis by mail and courier to individuals who require it for medical purposes, and who are under the care of a physician or nurse practitioner, exists in Canada today, with 36 licensed producers in operation at the time of writing this report. This new industry operates under the authority of federal regulations (*Access to Cannabis for Medical Purposes Regulations*) which set out product quality control measures and strict security standards to protect public health and safety. Task Force members had the opportunity to visit some of these producers and were impressed by the sophistication and quality of their work.

Operating in parallel to this federally regulated system of commercial producers is a complex and varied illicit market.

There are those who operate complex organized criminal enterprises who engage in violence and pose a threat to the public safety and well-being of Canadians. Globally, organized criminal groups reap large profits from the proceeds of cannabis production and trafficking. Canada is an exporter of cannabis for global illicit markets.

There are also those who seek to exploit a period of transition wherein the Government has made clear its intent to change the laws but during which existing laws prohibiting illicit production and sale continue to apply. A lack of understanding among members of the public about what is and is not permitted during this period of transition has led to confusion that has contributed to the establishment and proliferation of illegal activities.

A network of cannabis growers, consumers and advocates who engage in an underground economy of cannabis cultivation and sale for compassionate reasons also exists. While these activities are in violation of the *Controlled Drugs and Substances Act* (CDSA),¹ some cannabis stores (“dispensaries”) and wellness clinics (“compassion clubs”) have nevertheless been in operation for many years in parts of the country. The Task Force heard from several members of, and advocates for, this community who report developing and adhering to a strict internal code of standards, closely resembling self-regulation, and who wish to differentiate themselves from solely profit-driven, illicit enterprises.

A GLOBAL PERSPECTIVE

Canada is one of more than 185 Parties to three United Nations drug control conventions: the 1961 *Single Convention on Narcotic Drugs* (as amended by the 1972 protocol), the 1971 *Convention on Psychotropic Substances* and the 1988 *Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances*.

1 The CDSA is the Act that regulates activities with controlled substances (prohibiting possession, trafficking, possession for the purposes of trafficking, importing, exporting, possession for the purposes of exporting, and production) and sets out the associated criminal offences and penalties for violating these prohibitions. The CDSA is also the law that fulfills Canada’s international drug treaty obligations.

Despite enforcement efforts under these treaties, cannabis remains the most widely used illicit drug in the world. Although the ultimate aim of the drug treaties is to ensure the “health and welfare of humankind,” there is growing recognition that cannabis prohibition has proven to be an ineffective strategy for reducing individual or social harms, including decreasing burdens on criminal justice systems, limiting negative social and public health impacts, and minimizing the entrenchment of illicit markets, which in some cases support organized crime and violence. Thus, a growing number of governments are interested in alternative approaches to cannabis control that promote and protect the health, safety and human rights of their populations. Several European and Latin American countries have decriminalized the personal possession of cannabis.

This global shift in approaches to controlling and minimizing the harms associated with cannabis use has, for some, gone further. In 2013, Uruguay became the first country to enact legislation to legalize and regulate cannabis for non-medical purposes. At the sub-national level, following the United States [U.S.] federal election on November 8, 2016, a total of eight U.S. states—Alaska, California, Colorado, Maine, Massachusetts, Nevada, Oregon and Washington—and the District of Columbia—have now voted to legalize and regulate cannabis for non-medical purposes. These states represent more than 20% of the total U.S. population (approximately 75 million people).

While it is not part of the Task Force’s mandate to make recommendations to the Government on how to address its international commitments, it is our view that Canada’s proposal to legalize cannabis shares the objectives agreed to by member states in multilateral declarations, namely: to protect vulnerable citizens, particularly youth; to implement evidence-based policy; and to put public health, safety and welfare at the heart of a balanced approach to treaty implementation.

Important lessons will undoubtedly arise from Canada’s experience in the coming years, ones that will be valuable for advancing the global dialogue on innovative strategies for drug control. We believe that Canada will remain a committed international partner by monitoring and evaluating our evolving cannabis policy and sharing these important lessons with national and international stakeholders.

SETTING THE FRAME

The mandate entrusted to us was to design a framework with new rules that would define and set the parameters for how Canadians access cannabis in the future.

DEFINING THE TERMS

Legalization and regulation must be distinguished from “decriminalization,” as the terms are easily confused. Generally, decriminalization is referred to as removing criminal sanctions for some offences, usually simple possession, and replacing them with administrative sanctions, such as fines. This maintains the illegality of cannabis but prevents individuals from acquiring a criminal record for simple possession. With decriminalization the production,² distribution and sale of cannabis remain criminal activities. Thus, individuals remain subject to the potential dangers of untested cannabis. Criminal organizations continue to play the role of producer, distributor and seller, thereby increasing risk, particularly to vulnerable populations.

CANNABIS VERSUS MARIJUANA

The word “marijuana” is a common term used most often in reference to the dried flowers and leaves of the cannabis plant. It is a slang term that is not scientifically precise. We believe it is more appropriate to use the term cannabis when engaging in a serious discussion of the goals and features of a new regulatory system for legal access.

Indeed, *Cannabis sativa* is the botanical name for this ubiquitous herbaceous plant, which includes the drug type (“marijuana”) as well as industrial hemp.

PUBLIC POLICY OBJECTIVES

The Honourable Jane Philpott, Minister of Health, during her plenary statement for the Special Session of the United Nations General Assembly on the World Drug Problem, outlined that “our approach to drugs must be comprehensive, collaborative and compassionate. It must respect human rights while promoting shared responsibility.”³

² Production includes both the cultivation and the manufacturing, or processing, of cannabis.

³ Delivered on April 20, 2016. <http://news.gc.ca/web/article-en.do?nid=1054489>

In moving ahead with its commitment to legalize, regulate and restrict access to cannabis, the Government set out its principal objectives in its Discussion Paper. These objectives were established to:

- ▶ Protect young Canadians by keeping cannabis out of the hands of children and youth;
- ▶ Keep profits out of the hands of criminals, particularly organized crime;
- ▶ Reduce the burdens on police and the justice system associated with simple possession of cannabis offences;
- ▶ Prevent Canadians from entering the criminal justice system and receiving criminal records for simple cannabis possession offences;
- ▶ Protect public health and safety by strengthening, where appropriate, laws and enforcement measures that deter and punish more serious cannabis offences, particularly selling and distributing to children and youth, selling outside of the regulatory framework, and operating a motor vehicle while under the influence of cannabis;
- ▶ Ensure Canadians are well-informed through sustained and appropriate public health campaigns and, for youth in particular, ensure that risks are understood;
- ▶ Establish and enforce a strict system of production, distribution and sales, taking a public health approach, with regulation of quality and safety (e.g., child-proof packaging, warning labels), restriction of access, and application of taxes, with programmatic support for addiction treatment, mental health support and education programs;
- ▶ Provide access to quality-controlled cannabis for medical purposes consistent with federal policy and court decisions;
- ▶ Enable ongoing data collection, including gathering baseline data, to monitor the impact of the new framework.

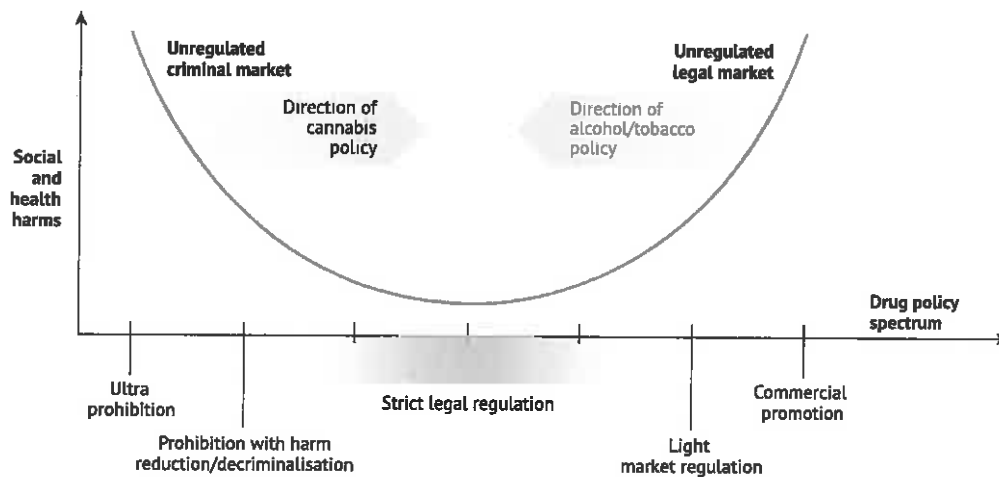
Paramount among these objectives are those intended to keep cannabis out of the hands of children and youth and to keep profits out of the hands of organized crime. Many have remarked that there is an inherent tension between these objectives. On the one hand, establishing a system with adequate protections that would seek to curb access to cannabis by youth suggests adopting a more restrictive model with numerous controls and safeguards, such as establishing higher age limits, adapting pricing strategies to discourage consumption, and imposing limitations to minimize promotion and commercialization. On the other hand, seeking to displace the illicit cannabis market requires the establishment of a legal market that is competitive with the existing illicit market, including safe and reasonable access, price, variety of product choice and adequate consumer education. Therefore, excessive restrictions could lead to the re-entrenchment of the illicit market. Conversely, inadequate restrictions could lead to an unfettered and potentially harmful legal market. Both extremes jeopardize the viability of the new system for cannabis.

The different approaches to regulating popular, yet potentially harmful and addictive, substances are well illustrated by how Canadian society has, over several decades, approached tobacco and alcohol. In this time, tobacco has moved from being heavily marketed to being highly restricted, whereas alcohol has moved from being strictly controlled to being widely available and promoted.

We were told on many occasions that we need to find a balance for cannabis. The diagram in Figure 1 on the next page helps to illustrate the spectrum of options shown against a curve of potential harms, where at one end prohibition leads to thriving criminal markets and at the other unregulated, legal free markets lead to unrestrained commercialization. At both extremes, there exist social and health harms that most Canadians would find unacceptable.

At the bottom of the curve lies the balance we are seeking with regard to cannabis: the point on the continuum where the public policy goals set out by the Government are most likely to be achieved.

FIGURE 1⁴



In seeking this balance, we believe that it is necessary to adopt a public health approach. As such, our recommendations are shaped by our view that the decisions taken in determining the precise features of this new regulatory system should uphold and promote the health of Canadians while reducing harms. In our discussions with experts, governments and others, strong support emerged for this public health approach, which includes:

- ▶ A focus on reducing harm and promoting health at the population level;
- ▶ Targeted interventions for high-risk individuals and practices;
- ▶ A concern with fairness;
- ▶ An evidence-based approach.

While it is well within the authority of governments to choose to apply taxes, to collect appropriate licensing fees and to establish cost-recovery systems, it is also our view that revenue generation should be a secondary consideration for all governments, with the protection and promotion of public health and safety as the primary goals.

OUR ADVICE IS INFORMED BY THE AVAILABLE EVIDENCE

Ideally, all of our recommendations would be based on clear, well-documented evidence. However, we recognize that cannabis policy, in its many dimensions, lacks comprehensive, high-quality research in many areas. On many issues throughout our discussions and deliberations, we have found that evidence is often non-existent, incomplete or inconclusive.

Being mindful of these limitations is imperative. It is more appropriate to refer to our recommendations as “evidence-informed” rather than “evidence-based”, given that the relationship between evidence and policy is complex and that our recommendations were influenced by the concerns, priorities and values expressed by stakeholders and members of the public, as well as by the available scientific evidence.

Moreover, a clear reality underpins our discussions and deliberations: encouraging and enabling more research and ensuring systematic monitoring, evaluation and reporting on our experiences is essential to good public policy in this area.

Some of these concepts are explored in greater detail in the section below, which describes the guiding principles behind our advice.

⁴ Used here with permission from the authors. Rolles, S. & Murkin, G. (2016) How To Regulate Cannabis: A Practical Guide. 2nd ed. Transform Drug Policy Foundation, page 28–29. Available from: www.tdpf.org.uk/resources/publications/how-regulate-cannabis-practical-guide. Adapted from an original concept by John Marks. [Marks, J. *The Paradox of Prohibition* in “Controlled Availability: Wisdom or Disaster?”; National Drug and Alcohol Research Centre, University of New South Wales; p. 7–10. 1990.]

ENGAGEMENT PROCESS

Fulfilling our mandate required that we seek as many views as possible from a diverse and informed community of experts, professionals, advocates, front-line workers, policy makers, government officials, patients, citizens and employers in the time provided to us. With this in mind, early in our work we identified a strategy for engagement that would rely upon various methods and means to reach out to Canadians and hear their views:

- ▶ **Canadians:** An online portal was open to the public for 60 days throughout July and August of 2016 and received nearly 30,000 submissions to the questions posed. Demographic information on the respondents is set out in Annex 5. The number of responses we received is clear evidence that many Canadians hold strong views on this subject, and we benefitted greatly from their collective views and advice. Hill+Knowlton Strategies assisted the Task Force in its analysis and synthesis of the responses. A summary of its report is included in Annex 5.

Moreover, nearly 300 written submissions were submitted to the Task Force from various organizations. These submissions were often comprehensive presentations of the main issues of concern. A complete list of all the organizations and individuals who provided submissions is included in Annex 3.

- ▶ **Governments:** A key requirement in our mandate was to engage with provincial and territorial governments. We travelled to most provincial capital cities and to the North where we met with government officials representing multiple sectors and ministries. We participated in candid discussions and gained a clearer understanding of the diverse regional realities that will influence public policy in this area.
- ▶ **Experts:** We hosted a series of roundtable discussions in cities across the country, in order to engage with experts from a wide spectrum of disciplines, researchers and academics, patients and their advocates, cannabis consumers, chiefs of police and fire departments, and other municipal and local government officials, as well as numerous industry, professional, health and other associations.

- ▶ **Indigenous peoples:** Indigenous experts, representative organizations, governments and Elders were invited to participate in a variety of Task Force engagement activities, including in the expert roundtables, bilateral meetings and an Indigenous peoples roundtable. These opportunities provided the Task Force with valuable perspectives and a better understanding of the interests and concerns of First Nations, Inuit and Métis communities.
- ▶ **Youth:** Youth are at the centre of the Government's objectives in pursuing a new system of regulated legal access to cannabis. Their voices were therefore essential. The Task Force sought to engage youth by including them and youth-serving organizations in expert roundtables and by hosting a youth-focused roundtable. The Task Force would also like to acknowledge Canadian Students for Sensible Drug Policy for their work in convening a youth roundtable event as a direct contribution to the Task Force's youth engagement activities.
- ▶ **Patients:** Access to cannabis for medical purposes is a major preoccupation for many Canadian patients, their families, caregivers and health-care providers. The emergence of a regulatory framework for non-medical cannabis access was seen by many to be a challenge to medical cannabis access, products and research. We are grateful to Canadians for Fair Access to Medical Marijuana, the Arthritis Society, the Canadian AIDS Society, and the British Columbia Compassion Club Society for helping to facilitate a roundtable for patients.
- ▶ **Study tours:** In order to learn first-hand from those who have legalized cannabis, the Task Force conducted site visits to Colorado and Washington states. We were hosted by state officials and we participated in a range of briefings, meetings and site visits. Similarly, senior officials from the Government of Uruguay provided a detailed briefing to the Task Force regarding Uruguay's unique experience as the only country to date to have enacted a regulatory system for legal access to cannabis.

The Task Force visited some of Canada's licensed producers of cannabis, in order to understand the realities of regulated cannabis production in Canada. We also visited the B. C. Compassion Club Society, in order to learn from its experience of providing cannabis in a holistic, wellness-centered environment to patients in Vancouver for the last two decades.

The Task Force acknowledges that we were not able to hear from everyone who wished to offer their views. However, we are confident that we heard a diversity of views on the central issues in question. Our advice in this report is informed, and shaped, by the perspectives, knowledge and experiences shared with us by so many. A list of persons and organizations consulted can be found in Annex 3.

GUIDING PRINCIPLES

Given the complexity of the issues, the Task Force set out a series of guiding principles and values that we see as important building blocks for our recommendations. The following principles and values have been validated throughout our consultations:

- ▶ **Protection** of public health and safety as the primary goal of the new regulatory framework, which includes minimizing harms and maximizing benefits;
- ▶ **Compassion** for vulnerable members of society and patients who rely on access to cannabis for medical purposes;
- ▶ **Fairness** in avoiding disproportionate or unjustified burdens to particular groups or members of society and in avoiding barriers to participation in the new framework;
- ▶ **Collaboration** in the design, implementation, and evaluation of the new framework, including communication and collaboration among all levels of government and with members of the international community;
- ▶ **Commitment** to evidence-informed policy and to research, innovation, and knowledge exchange;
- ▶ **Flexibility** in implementing the new framework, acknowledging that there is much we do not know and much that we will learn over time.

CHAPTER 2

MINIMIZING HARMS OF USE

INTRODUCTION: A PUBLIC HEALTH APPROACH

In taking a public health approach to the regulation of cannabis, the Task Force proposes measures that will maintain and improve the health of Canadians by minimizing the harms associated with cannabis use.

Most of the measures we propose seek to minimize harms in the population as a whole. We also consider more targeted means to minimize the harm to individuals, particularly children, youth and other vulnerable populations. A discussion of the harms associated with cannabis-impaired driving can be found in Chapter 4, *Enforcing Public Safety and Protection*.

Based on evidence that the risks of cannabis are higher with early age of initiation and/or high frequency of use, the Task Force proposes a public health approach that aims to:

- ▶ Delay the age of the initiation of cannabis use;
- ▶ Reduce the frequency of use;
- ▶ Reduce higher-risk use;
- ▶ Reduce problematic use and dependence;
- ▶ Expand access to treatment and prevention programs; and
- ▶ Ensure early and sustained public education and awareness.

CANNABIS: THE ESSENTIALS

Cannabis sativa is a plant that is used for its psychoactive and therapeutic effects and, like all psychoactive and therapeutic substances, carries certain risks to human health. Cannabis contains hundreds of chemical substances and more than 100 cannabinoids, which are compounds traditionally associated with the cannabis plant. Among these, two cannabinoids have received the most scientific interest: delta-9-tetrahydrocannabinol (THC) and cannabidiol (CBD). THC has therapeutic effects and is the compound chiefly responsible for the psychoactive effects of cannabis, while CBD has potential therapeutic but no obvious psychoactive effects.

The effects of cannabis are due to the actions of its cannabinoids on biological “targets,” a system of specific receptors and molecules found throughout the human body, together called the endocannabinoid system. The current science also suggests that other compounds in cannabis, such as aromatic terpenes and flavonoids, may also have pharmacological properties alone or in combination with the cannabinoids.

ASSESSING THE RISKS

Risk is inherent in all discussions on the health effects of cannabis, yet our understanding of risk is constrained by more than 90 years of prohibition, which has limited our ability to fully study cannabis.

We know more about the short-term effects of cannabis use (e.g., psychoactive effects and effects on memory, attention and psychomotor function). We are less certain about some of the longer-term effects (e.g., risks of permanent harms to mental functioning and risks of depression and anxiety disorders) but more certain about others (e.g., dependence). The following is a snapshot of the risks of harms associated with cannabis use:

- ▶ **Risks to children and youth:** Generally speaking, studies have consistently found that the earlier cannabis use begins and the more frequently and longer it is used, the greater the risk of potential developmental harms, some of which may be long-lasting or permanent.
- ▶ **Risks associated with consumption:** Certain factors are associated with an increased risk of harms, including frequent use and use of higher potency products. Driving while impaired by cannabis is associated with an increased risk of accidents and fatalities. Co-use with alcohol may pose an incremental risk for impaired driving and co-use with tobacco may increase smoking-related lung disease.

- ▶ **Risks to vulnerable populations:** Studies have found associations between frequent cannabis use and certain mental illnesses (e.g., schizophrenia and psychosis) and between frequent cannabis use during pregnancy and certain adverse cognitive and behavioural outcomes in children.
- ▶ **Risks related to interactions with the illicit market:** These include violence and the risks associated with unsafe products, illicit production and exposure to other, more harmful illicit substances.

As noted in Chapter 1, in addressing these risks we are sometimes faced with trade-offs when choosing among different regulatory approaches, since reducing some risks could result in increasing others. We often turned to our guiding principles to help us make difficult choices.

In our roundtable discussions and throughout the submissions we received, stakeholders often noted that, alongside the risks of use, there are also benefits, including for relaxation purposes, as a sleep aid or for pleasure. Notably, there is emerging evidence with regard to the use of cannabis as an alternative to more harmful substances, suggesting a potential for harm reduction (see also Chapter 5, *Medical Access*). The Task Force agrees that further research should be a priority.

LEARNING FROM THE REGULATION OF TOBACCO AND ALCOHOL

In assessing the measures presented in this chapter, at times comparisons are made with the ways alcohol and tobacco are regulated. In some ways the substances are comparable, being associated with factors such as impairment, dependence, health harms and widespread use. However, there are important differences in risks, social and health impact, and prevalence of use.

The 2009 World Health Organization (WHO) ranking of leading global risk factors for disease includes alcohol (ranked 3rd) and tobacco (6th). Notably, it does not include cannabis. In comparing levels of risk, it is important to consider patterns of use and the high global prevalence of alcohol and tobacco use. As well, years of research data collection and evaluation have provided information on the individual and societal impacts of alcohol and tobacco use that is not yet available for cannabis. Nevertheless, the Task Force

acknowledges that, based on current levels of use and available information on mortality and morbidity, the harms associated with the use of tobacco or alcohol are greater than those associated with the use of cannabis.

In this report we recommend a series of measures that are, in some cases, stricter than those that exist for tobacco or alcohol in Canada. Given the relative harms, we acknowledge this contradiction but believe that the regulation of these substances has been inconsistent with WHO disease risk ranking and remains inconsistent with known potential for harm. In designing a regulatory system for cannabis, we have an opportunity to avoid similar pitfalls.

The Task Force recognizes that the regulatory regimes for alcohol and tobacco continue to evolve. It is our hope that our experience with cannabis regulation will be used to inform the further evolution of alcohol and tobacco regulations.

MINIMUM AGE

Setting a minimum age for the purchase of cannabis is an important requirement for the new system. The age at which to set the limit was the subject of much discussion and analysis throughout our deliberations.

As with many of the other measures discussed in this chapter, a minimum age is intended to support the Government's objective to protect children and youth from the potential adverse health effects of cannabis by putting in place safeguards that better control access. In Canada, minimum ages for alcohol and tobacco sales have been set by the federal government (for tobacco) and by the provinces and territories (for both substances). Some have set the legal age for purchase at 18, others at 19. However, we know that age restrictions on their own will not dissuade youth use; other complementary actions—including prevention, education, and treatment—are required to achieve this objective.

WHAT WE HEARD

The Task Force heard broad support for establishing a minimum age for the sale of cannabis. However, the youth with whom we spoke did not believe that setting a minimum age alone would prevent their peers from using cannabis.

Some health experts argued that there was no clear scientific evidence to identify a “safe” age of consumption, but agreed that having a minimum age would reduce harm. There was a general recognition that a minimum age for cannabis use would have value as a “societal marker,” establishing cannabis use as an activity for adults only, at an age at which responsible and individual decision-making is expected and respected.

We heard from many participants that setting the minimum age too high risked preserving the illicit market, particularly since the highest rates of use are in the 18 to 24 age range. A minimum age that was too high also raised concerns of further criminalization of youth, depending on the approach to enforcement.

Ages 18, 19 and 21 were most often suggested as potential minimum ages. Health-care professionals and public health experts tend to favour a minimum age of 21. A minimum age of 25, often cited as the age at which brain development has stabilized, was generally viewed as unrealistic because it would leave much of the illicit market intact. In U.S. states where cannabis is legal, governments have aligned the minimum age at 21 for alcohol and cannabis consumption.

There was considerable discussion regarding the importance of national consistency. Having the same minimum age for purchase in all provinces and territories was thought to mitigate problems associated with “border shopping” by youth seeking to purchase cannabis in a neighbouring province or territory where the age is lower. In this regard, we heard suggestions that governments could learn from the challenges associated with alcohol age limits, which are inconsistent across the country. A range of public health and other experts recommended that the federal government set the minimum age, and that the provinces and territories be able to raise the age but not lower it.

Others argued that, for the sake of clarity and symmetry, the minimum age for purchasing cannabis should be aligned with the current provincial and territorial ages for sales of alcohol and tobacco. Many suggested that 18 was a well-established milestone in Canadian society marking adulthood.

CONSIDERATIONS

Research suggests that cannabis use during adolescence may be associated with effects on the development of the brain. Use before a certain age comes with increased risk. Yet current science is not definitive on a safe age for cannabis use, so science alone cannot be relied upon to determine the age of lawful purchase.

Recognizing that persons under the age of 25 represent the segment of the population most likely to consume cannabis and to be charged with a cannabis possession offence, and in view of the Government’s intention to move away from a system that criminalizes the use of cannabis, it is important in setting a minimum age that we do not disadvantage this population.

There was broad agreement among participants and the Task Force that setting the bar for legal access too high could result in a range of unintended consequences, such as leading those consumers to continue to purchase cannabis on the illicit market.

For these reasons, the Task Force is of the view that the federal government should set a minimum age of 18 for the legal sale of cannabis, leaving it to provinces and territories to set a higher minimum age should they wish to do so.

To mitigate harms between the ages of 18 and 25, a period of continued brain development, governments should do all that they can to discourage and delay cannabis use. Robust preventive measures, including advertising restrictions and public education, all of which are addressed later in this chapter, are seen as key to discouraging use by this age group.

For many in the legal and law enforcement fields, the key issue is not the minimum age itself but the implications for those who ignore it, including those who sell to children and youth, and those under the minimum age who possess and use cannabis. These are addressed in Chapter 4, *Enforcing Public Safety and Protection*.

ADVICE TO MINISTERS

The Task Force recommends that the federal government set a national minimum age of purchase of 18, acknowledging the right of provinces and territories to harmonize it with their minimum age of purchase of alcohol.

PROMOTION, ADVERTISING AND MARKETING RESTRICTIONS

In designing a system for the regulation of cannabis, we are creating a new industry. As with other industries, this new cannabis industry will seek to increase its profits and expand its market, including through the use of advertising and promotion. Because of the risks discussed earlier in this chapter, regulation aims to discourage use among youth and ensure that only evidence-informed information is provided to adults. Restrictions on advertising, promotion and related activities are therefore necessary.

Our society's experience with the promotion of tobacco and alcohol is instructive, since the promotion of these products is recognized as an important driver of consumption and of the associated harms. In response, many governments have restricted how tobacco and alcohol may be promoted. In Canada, there are different approaches to each.

The federal *Tobacco Act* restricts the promotion of tobacco products, except in limited circumstances. It also specifically prohibits promotion by means of a testimonial or endorsement, false or misleading advertising, sponsorship promotion, lifestyle advertising (which evokes images of glamour, excitement, and risk) and advertising appealing to young people.

Advertising that promotes a tobacco product by describing brand characteristics or providing information (factual information about a product and its characteristics, availability or price) are permitted in limited circumstances, such as in publications and in locations not accessible to young people. Provincial and territorial laws also set stringent limits on promotion of tobacco products.

The Canadian Radio-television and Telecommunications Commission's *Code for Broadcast Advertising of Alcoholic Beverages* includes federal restrictions on the promotion of alcohol in radio and television

broadcasting. It includes prohibitions on advertisements that appeal to minors, that encourage the general consumption of alcohol and that associate alcohol with social or personal achievement. Each province and territory also has its own rules restricting the promotion of alcohol. Despite regulations such as the advertising code, alcohol is heavily marketed and promoted to adults in Canada.

WHAT WE HEARD

In the Task Force's consultations, the majority of health-care professionals, as well as public health, municipal, law enforcement and youth experts, believed there should be strict controls on advertising and marketing of cannabis. We heard that such restrictions would be necessary to counter the efforts by industry to promote consumption, particularly among youth. There were also concerns expressed that companies would market products to heavy users or encourage heavy use, and exploit any exceptions that are left open.

We heard strong support from, among others, educators, parents, youth and the public health community for comprehensive marketing restrictions for cannabis similar to those for tobacco. Such restrictions were considered to be necessary because the evidence from our experience with tobacco and alcohol suggests that partial restrictions send mixed messages about use.

Several public health stakeholders also recommended plain packaging for cannabis products, similar to the approach taken by Australia for tobacco products and which are soon to be applied to tobacco products in Canada. Plain packaging refers to packages without any distinctive or attractive features and with limits on how brand names are displayed (e.g., font type, colour and size).

The industry representatives from whom we heard, while generally supportive of some promotion restrictions—particularly marketing to children and youth, and restrictions on false or misleading advertising—made the case for allowing branding of products. It was suggested that brand differentiation would help consumers distinguish between licit and illicit sources of cannabis, helping to drive them to the legal market. As well, to achieve “brand loyalty,” companies would have the impetus to produce high-quality products and would be more accountable to their customers.

In our online consultation, some were opposed to tobacco-style advertising restrictions for cannabis because, in their opinion, cannabis is less harmful than either tobacco or alcohol.

For some online respondents, allowing in-store advertising for cannabis brands offered a potential compromise: youth would be protected from exposure to mass marketing and advertising, while producers and retailers could still engage and communicate with consumers of cannabis of legal age and in regulated environments.

CONSIDERATIONS

The Task Force agrees with the public health perspective that, in order to reduce youth access to cannabis, strict limits should be placed on its promotion. In our view, comprehensive restrictions similar to those created by tobacco regulation offer the best approach. There is also a concern that the presence of any cannabis promotion could work against youth education efforts.

The challenges with creating partial restrictions (i.e., only prohibiting advertising targeting youth) are well documented. In practice, it is difficult to separate marketing that is particularly appealing to youth from any other marketing. The Colorado officials with whom we met echoed this concern, noting that their partial restrictions for cannabis advertising made it challenging to avoid advertising that reaches, or is appealing to, youth.

A partial restriction focusing on marketing to youth becomes even more problematic if one considers the 19-to-25 age group; it will be legal for those in this age group to purchase, but the evidence of potential harm suggests that use within this group should be discouraged as a matter of health. Trying to prohibit marketing that is appealing to this age group compared to people in their late 20s or 30s would be impossible. The Task Force believes that, while there should be a federal minimum age of 18 for the reasons explained above, other policies, such as comprehensive marketing restrictions, will be needed to minimize harms to the 18-to-25 age group.

Comprehensive advertising restrictions should cover any medium, including print, broadcast, social media, branded merchandise, etc., and should apply to all cannabis products, including related accessories. Such restrictions could still leave room for promotion at the point of sale, which would answer industry concerns about allowing information to be provided to consumers and some branding to differentiate their products from the illicit market and other producers. This assumes that the point of sale is a retail outlet not accessible to minors (see Chapter 3, *Establishing a Safe and Responsible Supply Chain*); the *Tobacco Act* allows information and brand preference advertising in places where young persons are not permitted, and those provisions could be used as a model.

If branding were permitted, along with limited point-of-sale marketing and product information, we are concerned that this information would still make its way to environments where minors would be exposed and influenced, much as they are today by alcohol and tobacco brands. The Task Force feels there is sufficient justification at this time for plain packaging on cannabis products. Such packaging would include the company name, as well as important information for the consumer, including price and strain name, as well as any applicable labelling requirements (see the “Cannabis-based edibles and other products” and “THC potency” sections in this chapter).

Any promotion, marketing or branding that is allowed should still be subject to restrictions, such as lifestyle advertising (similar to the *Tobacco Act* restrictions), false or misleading promotion (as for food, drugs and any other consumer product), the encouragement of excessive consumption (similar to standards for alcohol) and therapeutic claims (similar to restrictions for drugs or natural health products in the *Food and Drugs Act*).

In setting restrictions, the federal government should consider options for oversight and enforcement. This should include effective oversight by government, possibly supplemented by industry self-regulation (as is the case with pharmaceuticals). Advice on the appropriate penalties for those companies that violate these requirements is outlined in Chapter 4.

ADVICE TO MINISTERS

The Task Force recommends that the federal government:

- ▶ Apply comprehensive restrictions to the advertising and promotion of cannabis and related merchandise by any means, including sponsorship, endorsements and branding, similar to the restrictions on promotion of tobacco products
- ▶ Allow limited promotion in areas accessible by adults, similar to those restrictions under the *Tobacco Act*
- ▶ Require plain packaging for cannabis products that allows the following information on packages: company name, strain name, price, amounts of THC and CBD and warnings and other labelling requirements
- ▶ Impose strict sanctions on false or misleading promotion as well as promotion that encourages excessive consumption, where it is allowed
- ▶ Require that any therapeutic claims made in advertising conform to applicable legislation
- ▶ Resource and enable the detection and enforcement of advertising and marketing violations, including via traditional and social media

CANNABIS-BASED EDIBLES AND OTHER PRODUCTS

In observing the manner in which illicit and legal markets for cannabis have emerged and continue to evolve, it is clear that cannabis is a versatile raw material that can be used to make a wide variety of consumer, medicinal and industrial products. Extending far beyond the dried cannabis popularized in the 1960s and 1970s, today's cannabis is available in a wide range of cannabis-infused foods, cooking oils and drinks (typically referred to as "edibles"), oils, ointments, tinctures, creams and concentrates (e.g., butane hash oil, resins, waxes, and "shatter"). These products can be made with different types of cannabis, with varying levels of THC and CBD, resulting in different intensities and effects. The net result is that any discussion about

regulating a new cannabis industry quickly leads to an understanding of the complexity of regulating not one but potentially thousands of new cannabis-based products.

Under Canada's current cannabis for medical purposes system, the Government permits only dried and fresh cannabis and cannabis oils. Although other cannabis products may not be sold, the regulations allow individuals to make edible products, such as baked goods, for their own consumption. Nevertheless, access to a broad range of cannabis products is possible via the illicit market, including through dispensaries and online retailers. Determining the extent to which the new regulatory system should enable or restrict the range of legally accessible cannabis products, both initially as well as over the longer term, and whether and how to limit the availability of cannabis and cannabis products with high levels of THC (see "THC potency," later in this chapter) are critical issues.

Edible products have emerged as a focal point in our discussions, given their variety and increasing popularity, as well as their particular risks.

WHAT WE HEARD: CANNABIS-BASED EDIBLES

Since legalizing cannabis, the states of Colorado and Washington have seen sustained growth in their cannabis edibles markets. In Colorado, sales of cannabis-infused edibles in the first quarter of 2015, were up 134% from the same period in the previous year.

Colorado officials acknowledge that a lack of regulation around edibles in the early days of legalization led to some unintended public health consequences. Their experience provides the Task Force with a number of specific "lessons learned":

- ▶ **Expect edibles to have a broad appeal.** Cannabis products such as brownies, cookies and high-end chocolates are attractive to novice users and those who do not want to smoke or inhale. Colorado's prohibition on public smoking also gave a boost to the edibles market.
- ▶ **Control for level of THC and/or portion size.** In some respects, it is easier to control the amount of THC ingested when smoked or vaporized compared to when it is eaten. This is because, unlike the more immediate euphoric and other psychoactive effects produced by smoking or

vaporizing cannabis, it can take several hours for THC given orally to take full effect. In Colorado, this has sometimes resulted in accidental overconsumption and overdoses. (A cannabis overdose is not known to be fatal, but can be unpleasant and potentially dangerous—including severe anxiety, nausea, vomiting, a psychotic episode, or hypotension and loss of consciousness.) Controlling the amount of THC (or other cannabinoids) in a product, as well as establishing a standardized serving size, is important to avoid or limit such incidents.

- ▶ **Ensure that cannabis edibles can be clearly distinguished.** It can be a challenge to differentiate between cannabis edibles and cannabis-free products, leading to a risk that individuals, including children, inadvertently consume them. Since legalization of cannabis, Colorado and Washington have seen an increase in calls to poison control lines and in emergency room visits.

On the basis of the risk of exposure to children, and also the potential of edibles to broaden the appeal of cannabis products, public health stakeholders have advocated to the Task Force that edibles not be allowed under a regulated system. For example, we were informed that of the 1,969 cases of cannabis exposures in children under the age of six reported in the National Poison Data System in the United States between 2000 and 2013, 75% were exposed through ingestion.

However, there are a number of points to consider in this regard. The period in question largely pre-dates the wider regulation of cannabis in Colorado in 2012 and regulatory changes in 2014 (see below). And, despite the rise in rates, the absolute number of reported poisonings remains a small proportion of all reports: calls to Washington's poison control line related to cannabis exposure (mostly in teens) in 2015 were 0.4% of all calls to the line.

Many submissions to the Task Force suggested that Canada could learn from the way U.S. states have responded to ingestion incidents. In 2014, Colorado set out new requirements for the sale of all edible cannabis products, including:

- ▶ A standard serving size (10 mg of THC or less) clearly demarked on every product;
- ▶ A maximum amount of THC per unit of product;

- ▶ Clear labelling of amount of THC on packages; and
- ▶ Child-resistant, opaque and re-sealable packaging.

Such requirements have become the best practice for other U.S. states that have legalized, although the serving size can vary (and is typically higher for medical products). In October 2016, Colorado took further steps to improve the safety of packaging of edibles by requiring that all standardized servings be imprinted with a symbol containing the letters THC and prohibiting packaging that appeals to children.

Among stakeholders, the Task Force heard several arguments in favour of allowing and regulating edibles, including:

- ▶ Providing a potentially safer alternative to smoking cannabis;
- ▶ Making THC oil (the active ingredient in edibles) can be a dangerous process and should only be done in controlled facilities and not in residential areas;
- ▶ Having users create their own edibles with cannabis oil could lead to uneven distribution of THC in the product, resulting in a potential for overdose; and
- ▶ Regulation would allow for quality control over products, and for appropriate education and in-store information.

CONSIDERATIONS

In the illicit cannabis market, governments face an entrenched, sophisticated market that offers a wide range of cannabis products with no oversight and in which consumers are vulnerable to all the risks associated with unregulated products.

In weighing the arguments for and against limitations on edibles, the majority of the Task Force concluded that allowing these products offers an opportunity to better address other health risks. Edible cannabis products offer the possibility of shifting consumers away from smoked cannabis and any associated lung-related harms. This is of benefit not just to the user but also to those around them who would otherwise be subject to second-hand smoke.

This position comes with caveats. To protect the most vulnerable, any products that are “appealing to children,” such as candies and other sweets, should be prohibited. We acknowledge that there is considerable discretion in what constitutes “appealing to children.” The Government may want to consider the approach taken by the Alaskan government, which prohibits the manufacture and sale of any cannabis product that “closely resembles a familiar food or drink item including candy,” or is “adulterated” with additives or sweeteners. We are confident that with clear guidance to industry by the regulator and vigilant and predictable enforcement this is not an insurmountable barrier.

The Task Force is concerned by the reports of an increase of accidental ingestion by children in states where cannabis is legal. We acknowledge that a lack of regulation contributed to this risk. Should edibles be allowed for legal sale in Canada, they should, at a minimum, conform to the strictest packaging and labelling requirements for edibles currently in force in U.S. states. Since these measures are fairly recent, the markets (Canadian and U.S.) should be closely monitored to determine the effectiveness of these measures.

In the event that future research and monitoring identifies new risks with existing or new cannabis products, including increases in use, the Government should be ready to react. The system must be flexible enough to adapt in a timely way to new information and to provide appropriate safeguards as evidence indicates.

WHAT WE HEARD: OTHER PRODUCTS

Participants raised concerns about the development of products that combine cannabis with other harmful substances, especially alcohol or tobacco, as this could magnify the health risks associated with these products (see *Special Focus: Cannabis, tobacco and alcohol* on this page).

Vaping devices play an increasing role in cannabis consumption as they have with nicotine. We heard that the devices may offer a less-harmful alternative to smoking but that more evidence is needed about their risks and harms.

We also heard concerns regarding specific synthetic cannabinoids, e.g., “spice”—synthetic substances that share pharmacological similarity with THC but are not derived from the cannabis plant. These products are not considered part of the mandate of the Task Force: they have special risks and will remain controlled under the *Controlled Drugs and Substances Act*.

SPECIAL FOCUS: CANNABIS, ALCOHOL AND TOBACCO

A common concern among stakeholders was the impact of cannabis use on the use of alcohol and tobacco, and vice versa. We heard that using these products in combination, or even selling them in the same location, could magnify the health risks associated with each and have other negative implications. It was even suggested that minimizing co-use of cannabis and alcohol or tobacco could be a specific health protection aim of cannabis policy.

The harms of alcohol and tobacco are well established. According to the Chief Public Health Officer’s *Report on the State of Public Health in Canada (2015)*, almost 80 percent of Canadians consume alcohol; in 2013, more than 7.4 million Canadians drank enough to be at risk for immediate injury and harm or for chronic health effects, such as liver cirrhosis and cancer. Tobacco-related illness is responsible for 37,000 deaths in Canada each year and results in \$4.4 billion of direct health-care costs.

We heard from many stakeholders that co-use of cannabis with alcohol should be discouraged, given the implications for public health and safety. Research shows that the simultaneous use of alcohol and cannabis significantly increases levels of THC in the blood. This has implications for behaviour while intoxicated, and particularly for impaired driving (see Chapter 4). In addition, having cannabis and alcohol sold in the same location was seen by many as encouraging co-use (see Chapter 3).

We also heard that co-use of cannabis and tobacco products could undermine the progress achieved over the last few decades on reducing smoking. The *Canadian Community Health Survey* indicates that the rate of tobacco smoking among cannabis users is more than double that of those who do not use cannabis. This leads to concerns, particularly from anti-tobacco organizations, that increased cannabis use, or co-sale with tobacco, could lead to an increase in tobacco use and nicotine dependence.

The Task Force agrees that minimizing the harms of cannabis use also means taking steps to avoid co-use with alcohol and tobacco. This view is reflected in recommendations in Chapters 2, 3 and 4 of this report.

ADVICE TO MINISTERS

The Task Force recommends that the federal government:

- ▶ Prohibit any product deemed to be “appealing to children,” including products that resemble or mimic familiar food items, are packaged to look like candy, or packaged in bright colours or with cartoon characters or other pictures or images that would appeal to children
- ▶ Require opaque, re-sealable packaging that is childproof or child-resistant to limit children’s access to any cannabis product
- ▶ Additionally, for edibles:
 - ▷ Implement packaging with standardized, single servings, with a universal THC symbol
 - ▷ Set a maximum amount of THC per serving and per product
- ▶ Prohibit mixed products, for example cannabis-infused alcoholic beverages or cannabis products with tobacco, nicotine or caffeine
- ▶ Require appropriate labelling on cannabis products, including:
 - ▷ Text warning labels (e.g., “KEEP OUT OF REACH OF CHILDREN”)
 - ▷ Levels of THC and CBD
 - ▷ For edibles, labelling requirements that apply to food and beverage products
- ▶ Create a flexible legislative framework that could adapt to new evidence on specific product types, on the use of additives or sweeteners, or on specifying limits of THC or other components

THC POTENCY

In our discussions about cannabis products, the Task Force heard a range of views about the risks associated with consuming cannabis products with high levels of THC and about the dangers associated with manufacturing some cannabis products, particularly those where highly combustible solvents, such as butane, and potentially toxic solvents such as naphtha, are used to extract THC.

Over the last few decades, changes in growing and production techniques have resulted in cannabis products with higher levels of THC. The “potency” (concentration) of THC is often expressed as a percentage of THC by weight of the substance (e.g., a flower, resin); the THC potency in dried cannabis (based on police seizures) has risen from an average of 3% in the 1980s to around 15% today. Some Canadian licensed medical cannabis producers are capable of growing cannabis with levels of THC higher than 30%. Resins extracted from the cannabis flower, which concentrate the cannabinoids, can have much higher potencies depending on how they are processed, ranging as high as 80% for solid concentrates known as “shatter”. Such high-potency concentrates are often ingested by heating a small amount on a hot surface, such as a nail, a method known as “dabbing”.

Despite studies showing that a typical user does not actually require large amounts of THC to experience the psychoactive effects of cannabis, the demand for, and availability of, products with higher levels of THC has persisted in jurisdictions that have legalized cannabis.

WHAT WE HEARD

Support for setting limits for THC content in cannabis products was strong among a range of stakeholders, particularly those with public health and health-care perspectives. Several also supported a ban on “high-potency products” (when defined, these were the highest-potency concentrates, such as wax and shatter).

These arguments were based on assumptions regarding higher risks of harm associated with higher potencies. Based on the current evidence, the higher the potency of THC, the lower the amount of a product required to achieve the desired effect, the higher the likelihood of developing dependence and the higher the likelihood—particularly with novice and inexperienced users—of an overdose.

Products containing higher levels of THC may trigger psychotic episodes in individuals at risk and may further increase the risk of harms to vulnerable populations, such as those with illness associated with psychosis.

Submissions advocating THC limits rarely specified what those limits should be. A few recommended a maximum of 15% THC potency in all products, though it is unclear why this level was chosen; there was also some acknowledgement that there is insufficient evidence to identify a “safe” potency limit. Nevertheless, many saw a THC limit as a necessary precaution.

There was also strong opposition from other respondents to the use of THC limits. A range of stakeholders agreed that, due to a lack of evidence, any such level would be arbitrary. Neither Colorado nor Washington has set limits on the amount of THC in concentrates.

Respondents to the online consultation asserted that users accustomed to high THC would either need to smoke a larger quantity of lower-potency cannabis to reach the desired effect, leading to higher smoking-related harms, or would simply turn to the illicit market for high-potency products.

The argument that banned products would continue to be available on the illicit market was one we heard several times. However, in this case, we were told that the stakes were considerably higher due to the significant risks of illicit production of high-potency concentrates. Illicit producers often use highly flammable solvents such as butane to extract cannabinoids from plants, an inherently dangerous process that can also leave carcinogenic residues on the end product. Product safety was also a concern, as the extraction process may also concentrate contaminants such as heavy metals and other impurities in addition to THC.

A number of alternate approaches were suggested to address the risks associated with potency:

- ▶ Clear labelling of THC levels on all products;
- ▶ Provision of consumer education about potency related risks;
- ▶ Low-risk use guidelines;
- ▶ Higher prices or taxes for higher potency products to shift consumers to products with lower potency; and

- ▶ Setting a higher minimum age, such as 25, for high-potency products.

There is also emerging evidence that the ratio of THC to CBD can play an important role in reducing some of the psychoactive effects of THC. Some roundtable participants believed that further research in this area could lead to innovations to modulate the effects of THC potency.

CONSIDERATIONS

The debate about whether to allow high-potency concentrates on the regulated market has similarities to our discussions on other cannabis-based products. One side emphasizes the risks of use of the products themselves, while the other highlights the consequences of allowing an illicit, unregulated market to continue.

While there may be risks of consuming high-potency concentrates, the dangers inherent in their production strongly suggest that they be included as a part of the regulated industry, subject to effective safety and quality-control restrictions. The harms associated with high THC potency remain a concern, and should be minimized. However, we do not believe that limiting THC content in concentrates is the most effective way to do so, based on current information. We agree that, due to a lack of evidence, any chosen threshold would be arbitrary and a challenge to enforce. Even the standard THC content of today’s dried cannabis is considered high by historical standards.

We suggest that variable tax rates or minimum prices linked to THC level (potency), similar to the pricing models used by several provinces and territories for beer, wine and spirits, should be applied to encourage consumers to purchase less-potent products.

We also recommend labelling all products with clear indications of their levels of THC and CBD, as well as appropriate health warnings. Such labelling must be based on mandatory laboratory testing that conforms to acceptable standards of accuracy.

We can expect that the evidence with respect to THC potency, including the effects of CBD to reduce the effects of THC, will continue to evolve. The system must have the means to implement further measures, including THC limits (and limits to other cannabinoids or their ratios), should future evidence warrant it.

ADVICE TO MINISTERS

The Task Force recommends that the federal government:

- ▶ Provide regulatory oversight for cannabis concentrates to minimize the risks associated with illicit production
- ▶ Develop strategies to encourage consumption of less potent cannabis, including a price and tax scheme based on potency to discourage purchase of high-potency products
- ▶ Require all cannabis products to include labels identifying levels of THC and CBD
- ▶ Enable a flexible legislative framework that could adapt to new evidence to set rules for limits on THC or other components
- ▶ Develop and implement factual public education strategies to inform Canadians about the risks of problematic use and to provide guidance on lower-risk use

TAX AND PRICE

While government influence over price is often met with resistance in many industries, the risks associated with psychoactive substances can justify government intervention in this area. Used appropriately, price controls can discourage the use of cannabis and provide government with revenues to offset related costs. They are flexible tools, able to respond relatively quickly to emerging evidence. On the other hand, missteps on price can lead to unintended consequences: too low a price can inadvertently boost demand, while too high a price could shift consumers to seek lower-cost product in the illicit market.

Governments have a number of means to influence price, and therefore consumption, of a product. Many of these tools can be used together to control the price of a product:

- ▶ Fixed prices, i.e., specifying the price at which certain products must be sold;
- ▶ Minimum and/or maximum prices;

- ▶ Per unit taxes, i.e. a tax that charges a set amount per unit of a product;
- ▶ Sales tax, charged as a percentage of the sale price; and
- ▶ Limits on production amounts or on the number of producer licences.

WHAT WE HEARD

The Task Force heard about the need to strike a balance on price: higher prices will help to lower use, but prices that are too high will push consumers to the illicit market. Tobacco was often cited as an example of how price controls can achieve public health goals.

This balance could be adjusted strategically. A lower tax rate, initially, could help to avoid repeating the experience in Washington, where a high tax at the start of legalization, combined with a shortage of legal product, strengthened the existing illicit market. Taxes could be adjusted over time to reflect changes in market conditions.

We were cautioned that low prices could increase the consumption of cannabis overall. Sudden drops in price could result from a decrease in production costs for regulated cannabis, or from "predatory" pricing (i.e., pricing below one's costs) meant to undercut competition. There is evidence that a drop in the price of cannabis can lead to new users, particularly among youth.

We heard that tax and price co-ordination between levels of government is critical. The federal, provincial and territorial governments have the authority to tax products such as cannabis, through either a unit tax or sales tax.

Most participants, including provincial and territorial officials with whom we met, agreed with the view that cannabis regulation should prioritize public health and safety, not revenues. However, there were opinions on how any resulting revenues should be allocated. Several stakeholders, including substance-use experts, law enforcement and municipalities, called on government to redirect revenues to support prevention and treatment programs for individuals with cannabis dependence. We also heard calls to direct a portion of tax revenues toward education programs, including targeted programs for youth, for Indigenous communities and for enforcement. Stakeholders also called for the allocation of tax revenues to support research on cannabis.

The Task Force also heard that we should:

- ▶ Establish a minimum price or tax based on potency levels, thereby driving consumers to less potent products;
- ▶ Encourage consistent prices and taxation levels across the country to avoid cross-border shopping. Some suggested considering additional taxes for tourists;
- ▶ Establish a Health and Safety Board to recommend and set prices;
- ▶ Consider using economic analyses to learn how different costs, and availability of substances, impact consumption patterns.

CONSIDERATIONS

Putting public health concerns ahead of the generation of revenues is crucial to the success of a regulated cannabis market. Tax and price policies should therefore focus on achieving the Government's public health and safety objectives. Taxes should be high enough to limit the growth of consumption, but low enough to compete effectively with the illicit market. Mechanisms such as a minimum price should be used to prevent predatory pricing, if necessary.

The federal government, in co-ordination with its provincial and territorial counterparts, should conduct the necessary economic analyses to determine a tax level that achieves the balance between public health objectives and reducing the illicit market. Municipalities and Indigenous national organizations and representatives should be included in discussions regarding the equitable allocation of revenues. Public health experts should also be included in this exercise to help ensure that the health burden is taken into account.

The Task Force also believes that building flexibility into the system will allow for adjustments based on new data. We also suggest that the federal government consider a THC potency-based minimum price or tax to shift consumers to lower-potency products (see "THC potency" in this chapter).

ADVICE TO MINISTERS

The Task Force recommends that the federal government:

- ▶ Conduct the necessary economic analysis to establish an approach to tax and price that balances health protection with the goal of reducing the illicit market
- ▶ Work with provincial and territorial governments to determine a tax regime that includes equitable distribution of revenues
- ▶ Create a flexible system that can adapt tax and price approaches to changes within the marketplace
- ▶ Commit to using revenue from cannabis as a source of funding for administration, education, research and enforcement
- ▶ Design a tax scheme based on THC potency to discourage purchase of high-potency products

PUBLIC EDUCATION

As we move away from prohibition, many stakeholders will turn to governments for information on how to assess the risks and harms of cannabis use and on how the regulation of cannabis will work. There is significant misinformation that must be addressed. Public opinion research shows that youth and some adults do not understand the risks of cannabis use. Typically they are either exaggerated (echoing the era of "reefer madness") or understated (cannabis is benign).

WHAT WE HEARD

In the online consultation and in meetings with experts and officials, we heard that public education was critical to:

- ▶ Communicate information on the new system and its objectives;
- ▶ Help young people in particular understand the potential harms from cannabis use;
- ▶ Inform Canadians of the risks of impaired driving;

- ▶ Offset potential pro-consumption messages from industry and advocates, particularly those directed at children and vulnerable populations;
- ▶ Provide information on dependence and other risks of heavy consumption;
- ▶ Provide reliable information to customers at point of sale; and
- ▶ Provide parents with information.

There was agreement that messaging about risks should be consistent across the country. Given the potential number of players delivering messages—including different levels of governments, non-governmental organizations and the private sector—a need for co-ordination was emphasized, often with the federal government in a leading role.

We heard that reaching youth with this messaging may be a challenge. Health experts and educators stressed that we need a new approach. Whether in schools or in national campaigns, education should be evidence-informed, credible, informative and respectful of youth judgment. We heard that youth should be involved in the design and content of education that is targeted at youth.

We heard that school programs should start at a young age. For adolescents, health experts recommended a focus on building competencies to help young people develop resiliency and critical thinking skills. Some jurisdictions are taking this approach in their schools already.

Education programs should not only be age-appropriate but also culturally appropriate. An Indigenous Elder who met with the Task Force called on the Government to work with Elders to develop culturally appropriate messaging on the risks of cannabis use for Indigenous youth.

In Washington and Colorado, funding for their respective education campaigns came from the states' cannabis revenues. As a result, campaigns did not begin until two years after legalization. Officials from both states strongly advised starting educational campaigns as soon as possible.

CONSIDERATIONS

National campaigns and in-school programs are important components of an overall approach to public education on cannabis. Co-ordination between levels of government will be crucial. In meetings with the Task Force, provincial and territorial officials looked to leadership from the federal government on public education campaigns and health messaging.

Where strong provincial or territorial education programs on cannabis use exist, a federal public education campaign should enhance rather than replace existing programs and should learn from success stories.

Campaigns should: be evidence-informed; be relevant to, and respectful of, the target audience; and learn from successes and failures at home and elsewhere. A discussion specific to education campaigns for cannabis-impaired driving can be found in Chapter 4, *Enforcing Public Safety and Protection*.

ADVICE TO MINISTERS

The Task Force recommends that the federal government:

- ▶ Implement as soon as possible an evidence-informed public education campaign, targeted at the general population but with an emphasis on youth, parents and vulnerable populations
- ▶ Co-ordinate messaging with provincial and territorial partners
- ▶ Adapt educational messages as evidence and understanding of health risks evolve, working with provincial and territorial partners

PREVENTION AND TREATMENT

While the regulation of cannabis aims to minimize harms for the general population, there are specific groups who may be negatively impacted, including youth with a history of early and frequent use, as well as adult heavy users and marginalized groups. Targeted measures will be needed to mitigate harms for these groups.

WHAT WE HEARD

In roundtable discussions, the Task Force often heard that there were certain groups for which education and other “population-level” measures were insufficient to reduce harms significantly. Most frequently, participants highlighted youth with a history of early and frequent use, or dependence. Other groups mentioned included adult heavy users, those with mental illness, people who are homeless and other marginalized groups.

We heard that reducing harms among these groups requires a public health strategy that includes special, targeted measures such as mental health strategies and investment in prevention and treatment programs for individuals and at-risk groups.

According to a number of health experts who work with youth, such approaches need to address individuals' underlying issues, such as social isolation, problems at home or mental illness. They told us that some of the harms often attributed directly to cannabis use, such as dependence and lower academic achievement, can be better predicted by the existence of such life challenges.

Recent studies support this view. Analysis of results of the 2013 B.C. Adolescent Health Survey shows that youth who lived in challenging circumstances or who had experienced stressful life events, such as discrimination or physical or sexual abuse, were more likely to use cannabis frequently.

Such young, frequent users were more likely to feel disconnected from their school or community, to be dependent on alcohol or other substances, or to have attempted suicide. Often they lacked family support, positive relationships at school and other factors that reduce the risk of early or frequent cannabis use.

We also heard from law enforcement officials who observed similar issues in their work with “high-risk” individuals, including people who are homeless or mentally ill, and repeat offenders. We heard concerns that these individuals were at a greater risk of dependence and other harms.

There are many different approaches to prevention and treatment, and the Task Force heard some debate about their effectiveness. Ideally, targeted interventions should be evidence-based and should build resilience.

Programs should be tailored to meet the needs of different communities. For instance, Indigenous representatives told us that programs should be tailored to the unique circumstances of Indigenous communities.

CONSIDERATIONS

At the beginning of this chapter, we noted that a public health approach alone is insufficient to minimize harms experienced by vulnerable populations. Prevention efforts that address underlying causes of early, heavy and frequent use, especially among youth, are necessary to minimize harms.

Prevention and treatment programs often suffer from a lack of national co-ordination and sustained funding. Cannabis legalization offers an opportunity to redirect some of the new revenue stream to better support such programs.

ADVICE TO MINISTERS

The Task Force recommends that:

- ▶ In the period leading up to legalization, and thereafter on an ongoing basis, governments invest effort and resources in developing, implementing and evaluating broad, holistic prevention strategies to address the underlying risk factors and determinants of problematic cannabis use, such as mental illness and social marginalization
- ▶ Governments commit to using revenue from cannabis regulation as a source of funding for prevention, education and treatment

WORKPLACE SAFETY

Drug and alcohol use or impairment in the workplace can pose a danger to everyone in the workplace, including the person who is impaired. This is particularly the case in “safety-sensitive” industries, such as transportation, health care and law enforcement, where symptoms related to impairment—reduced mobility, co-ordination, perception or awareness—can increase the risks of hazards, injuries and death.

The federal government and the provinces and territories each have their own occupational health and safety legislation and related regulations, which outline the general rights and responsibilities of employers and employees. At present there is no Canadian law permitting or regulating mandatory drug testing of employees. Court decisions, including those by the Supreme Court of Canada, provide some guidance and suggest that random drug and alcohol testing is not permitted except in certain circumstances. In addition, federal and provincial human rights commissions have policies explaining how drug and alcohol testing must not discriminate, including against those with disabilities and perceived disabilities. They suggest that drug testing in workplaces can only be used if it is to satisfy *bona fide* occupational requirements. Some private-sector companies have put drug testing policies in place, and the federal government has implemented testing programs for federal prisoners and military personnel.

Cannabis impairment in the workplace is not a new issue, but questions were raised about whether the legalization of cannabis might increase use and how that would affect workplace policies.

WHAT WE HEARD

The Task Force heard concerns from a range of experts and stakeholders about the impact of cannabis use in the workplace, particularly for people working in safety-sensitive positions, such as health-care workers, law enforcement personnel and employees in transportation, construction or resource extraction industries. We also heard about challenges associated with providing reasonable accommodation of employees who use cannabis for medical purposes or who may be dealing with dependence or other problematic use.

Employer groups called for more guidance from federal, provincial and territorial governments about appropriate workplace drug use and drug testing policies.

We also heard from health experts who looked at the issue from an employee perspective, noting the limited and uneven access to programs and services to support employees with dependence or other problematic substance use.

CONSIDERATIONS

The concerns expressed on workplace safety reinforce the urgent need for research to reliably determine when individuals are impaired. As we will see in Chapter 4, which addresses impaired driving, the ability to determine impairment with cannabis—through technology or specialized training—is not as advanced as our ability to measure the relationship between consumption and impairment with alcohol.

Should new evidence on cannabis impairment merit changes in workplace safety policies, the federal government should work closely with the provincial and territorial governments, given their shared roles in the occupational health and safety system, to consider and respond to the implications of this evidence.

ADVICE TO MINISTERS

The Task Force recommends that the federal government:

- ▶ Facilitate and monitor ongoing research on cannabis and impairment, considering implications for occupational health and safety policies
- ▶ Work with existing federal, provincial and territorial bodies to better understand potential occupational health and safety issues related to cannabis impairment
- ▶ Work with provinces, territories, employers and labour representatives to facilitate the development of workplace impairment policies

CHAPTER 3

ESTABLISHING A SAFE AND RESPONSIBLE SUPPLY CHAIN

INTRODUCTION

As noted in Chapter 1, two of the major themes that formed the basis of the Task Force's discussions and consultations were "establishing a safe and responsible production system" and "designing an appropriate distribution system." We noted during Task Force consultations that conversations surrounding these two themes coalesced into an integrated discussion about the entire supply chain, encompassing production (commercial and personal cultivation), distribution and retail. This chapter will mirror that shift and discuss how to regulate the supply chain in its entirety.

Decisions on production, distribution and retail have clear implications for businesses hoping to enter the cannabis industry, including how to ensure a diversity of participants. It is apparent that there is significant interest and speculation about the potential for new revenues generated by this industry.

Supply chain management also has significant implications for consumers and communities. Price, product quality and accessibility can all be affected, depending upon what route the Government chooses to take.

Notwithstanding this interest and the far-reaching implications of decisions made regarding the nature and scope of the new industry, the Government's principal interest should be to establish an efficient, accountable and transparent system for regulatory oversight of the supply chain, emphasizing the protection of health and safety and reducing diversion to the illicit market.

PRODUCTION

Cannabis production ranges from the cultivation and harvest of the plant material, and its subsequent preparation, to the manufacture of products using cannabis as a raw material including concentrates and other derivatives.

WHAT WE HEARD

Throughout our consultations, there was support for commercial production of cannabis being left in the hands of the private sector. The vast majority of respondents to the online consultation expressed a preference for a competitive private-sector production model, noting that this would allow for a greater variety and diversity of products with fair pricing. However, some organizations believed that a government monopoly would be the best approach to control and regulate the production of cannabis, noting that this model was best placed for controlling use, preventing diversion, minimizing advertising and helping to control pricing. In both models, respondents indicated an expectation that the federal government would continue to regulate production. Most respondents thought that cannabis distribution and retail should be regulated by the provinces and territories.

Having the federal government regulate cannabis production was seen as essential for a variety of reasons; such as to ensure that consumers in all regions of the country have access to quality-controlled products that are free from harmful pesticides, fungi and bacteria, heavy metals and other harmful substances. The federal government was seen as being well-placed to establish and oversee a national regulatory system of quality control, given that such a system is already in place for the production of cannabis for medical purposes.

Many noted that the current federal system of cannabis for medical purposes could be used as a starting point for a new national system for legalized and regulated cannabis. Under the current system, companies seek licences from Health Canada to produce and distribute cannabis for medical purposes and must comply with a set of strict rules to meet safety and quality standards and security provisions.

Many of those standards were seen as applicable when contemplating production in the new legal system in order to protect public health and safety. As noted in Chapter 2, the processing of extracts is one area where stakeholders saw regulation as key to mitigating significant potential harms.

Some stakeholders expressed concern that, under a regulated, non-medical cannabis framework, the current security requirements would be unnecessarily strict, such as the requirement to keep security video recordings for two years. Some expressed concern that the cost of compliance with such security regulations might suppress competition in the marketplace and could potentially shut out smaller, new producers in favour of larger companies or conglomerates that could better afford these measures.

We heard from representatives of those currently operating in the illicit cannabis economy who differentiated themselves from organized criminal enterprises. They expressed a keen desire to legitimize their businesses by transitioning into the legal market but were also concerned that they would be excluded by design, or due to their current involvement in the illicit market. They, and others, made strong calls for a diverse marketplace in which barriers to the participation of smaller producers (sometimes referred to as “craft” or “artisanal”) and not-for-profit entities are kept to a minimum. Likewise, in order for these individuals or businesses to be eligible to qualify for government-issued licences, they asked that some allowance be made for individuals who may have criminal histories with cannabis.

Some stakeholders questioned the current requirement for licensed producers to grow cannabis indoors. They expressed concern that prohibiting outdoor cultivation would create a financial barrier for smaller enterprises to enter the market. We also heard that indoor growing does not promote environmental stewardship, due to significant electrical and water costs.

The cannabis for medical purposes system requires the testing of products for impurities such as heavy metals and microbial contaminants through approved laboratories. Many noted that this requirement needed to be extended to the new system. We also heard that product labels need to accurately and reliably reflect THC and CBD potency, allowing consumers to make informed decisions.

INDUSTRIAL HEMP

Varieties of the cannabis plant known as hemp have long been cultivated for use in commercial and industrial applications such as construction materials, rope and clothing. In 1998, through the *Industrial Hemp Regulations* (IHR), the Government provided for the creation of an industrial hemp industry in Canada.

The IHR set out a licensing and permit scheme through which industrial hemp producers are able to cultivate hemp, defined as cannabis plants that have less than 0.3% THC. Currently, producers are permitted to use only the seeds, grains and fibres from the hemp plant.

We heard from members of the hemp industry that, although low in THC, hemp can contain high levels of non-psychoactive CBD. Despite this, the rules around growing hemp have mainly reflected concerns that hemp fields could be a cover for growing high-THC cannabis. Hemp producers face burdensome requirements, including the need for repeated field testing to ensure that the THC threshold is not exceeded, the requirement to re-apply for a licence every year and a requirement to submit maps of every field where industrial hemp is grown. In addition, it is unlikely that producers will grow high-THC cannabis since the growing environment for hemp is not conducive for flowering varieties of cannabis that contain higher concentrations of THC.

Further, the IHR require the destruction of plant material for which there is no authorized use, including parts of the plant that are high in CBD. We have heard that increasing interest in the therapeutic value of CBD presents an economic opportunity for hemp producers, as hemp may be a rich source of CBD for therapeutic products.

CONSIDERATIONS

The Task Force agrees that the new regulatory framework should ensure that products meet rigorous safety and quality standards in order to protect public health and safety. For example, only approved fertilizers and pesticides should be allowed; potentially hazardous moulds should not be present; product-specific THC and CBD potencies, including serving sizes, should be established and verified; and potentially hazardous extraction processes should be undertaken with the proper safety measures in place. Given the federal government’s experience with regulating the medical cannabis system, commercial production should continue to be regulated by the federal government, and should include appropriate licensing fees to recover the costs of administration.

This will require sufficient laboratory testing capacity to ensure that the products manufactured meet specific quality standards and that the stated potency for specific products is accurate.

The framework should draw from the good production practices already established for licensed producers of cannabis for medical purposes, including the use of approved pesticides, testing for solvent residues, testing for THC and CBD levels, and sanitation of premises and equipment.

At the same time, the framework should reconsider existing security requirements that are in place under the *Access to Cannabis for Medical Purposes Regulations*. We acknowledge that security requirements should not be so strict that they are prohibitively expensive or difficult to implement, thus creating unnecessary barriers to entry into the regulated marketplace.

Given the significant interest that exists among a diversity of citizens, industry sectors and investors to participate in this new regulated market, it will be necessary to have an effective, accountable and efficient regulatory program in place at the time of implementation.

In developing the new system for licensing cannabis producers, it will be important to understand the size and nature of the new regulated market and to determine whether controls to align supply with likely demand are required to avoid situations of oversupply, which could lead to negative outcomes. Some congruence between the amount of cannabis required to meet the demands of the Canadian market and the total quantity allowed for production could serve to minimize risks, at least in the early years of implementation as the marketplace develops. For example, this could be done by limiting the number of production licences issued or the total amount that any one producer is allowed to supply.

There are several advantages to using production controls in the early period of implementation, including:

- ▶ Encouraging market diversity by creating a space for smaller-scale production through graduated licensing and fee structures, and preventing the development of monopolies or large conglomerates;
- ▶ Preventing an oversaturation of the market, potentially contributing to over-consumption or problematic consumption;

- ▶ Controlling cannabis prices by increasing or decreasing the number of production licences issued or by imposing limits on the size of facilities;
- ▶ Creating an administratively efficient regulatory program that is resourced appropriately.

However, limiting the number of production facilities or the size of those facilities must be balanced against the possible miscalculation of demand that would create opportunities for illicit producers to fill the void.

Diversion can also be addressed through a requirement that all businesses in the cannabis supply chain implement a seed-to-sale tracking system, similar to that used in the U.S. states that have legalized cannabis. Such a system would monitor the movement of cannabis plants and resulting products throughout the supply chain—from production to distribution to final sale. Such a system has several other benefits, including the ability to trace products in the event of a recall, and can be helpful for producers in the management of their inventory.

In order to limit the environmental impact of the cannabis industry, outdoor production should be permitted with adequate security requirements. Encouraging responsible environmental practices through less reliance on indoor lighting, irrigation networks and environmental controls (i.e., heating and cooling, humidity controls) can contribute to substantially reducing the environmental footprint of cannabis production facilities. Outdoor growing could also help reduce costs and enable entry for smaller "craft" producers.

While the new legislation will apply to cannabis, including industrial hemp, we believe a lighter regime should be designed to regulate the industrial hemp industry. With respect to CBD and other compounds derived from hemp or other sources, each substance should be reviewed and regulated depending on its risks.

ADVICE TO MINISTERS

The Task Force recommends that the federal government:

- ▶ Regulate the production of cannabis and its derivatives (e.g., edibles, concentrates) at the federal level, drawing on the good production practices of the current cannabis for medical purposes system
- ▶ Use licensing and production controls to encourage a diverse, competitive market that also includes small producers
- ▶ Implement a seed-to-sale tracking system to prevent diversion and enable product recalls
- ▶ Promote environmental stewardship by implementing measures such as permitting outdoor production, with appropriate security measures
- ▶ Implement a fee structure to recover administrative costs (e.g., licensing)
- ▶ Regulate CBD and other compounds derived from hemp or from other sources

DISTRIBUTION

A well-functioning distribution system—where the chain of custody is well-controlled—is critical to the overall success of the new regime.

WHAT WE HEARD

As noted above, while the federal government was generally seen as best placed to regulate the production of cannabis, most respondents believed that the provinces and territories should be the principal regulators of wholesale distribution. Indeed, most jurisdictions noted during our consultations that they had well-established and sophisticated government alcohol distribution networks that provided a secure and reliable means to distribute product. It was noted that these systems, especially the administrative systems and other controls already in place, could be leveraged to distribute cannabis and be tailored to the specific needs of each jurisdiction.

CONSIDERATIONS

Implementing a government monopoly on wholesale distribution has been widely supported. It has proven effective with alcohol as a means to prevent diversion and to maintain controls over supply.

ADVICE TO MINISTERS

The Task Force recommends that the wholesale distribution of cannabis be regulated by provinces and territories.

RETAIL

Under a regulated system, consumers should be able to access cannabis in a safe manner that minimizes potential risks to consumers and communities and reduces the involvement of the illicit market.

WHAT WE HEARD

The Task Force heard mixed views on the type of retail outlets that should be permitted. Some advocated for a centralized, government monopoly akin to how most provinces and territories manage alcohol sales while others expressed a preference for a private-enterprise model with cannabis-specific storefronts (e.g., dispensaries) or with those for whom profit is not their principal motive (e.g., compassion clubs). Regardless of the model, participants were generally of the view that there should be some sort of storefront retail market, but they also noted concerns regarding the unchecked proliferation of unregulated dispensaries as they exist today.

There was also support for extending the current system of mail-order purchasing of cannabis. This was especially important to those from rural and remote communities where a physical store might not be viable.

We also heard that the mail-order system was insufficient for the broader non-medical cannabis market. Many expressed a preference for engaging more directly with knowledgeable staff and with the products themselves before making purchases. Thus, support for the private-enterprise model was widespread among respondents to the online questionnaire and among experts consulted during our roundtable sessions. This model of retail sales was often cited as a means of ensuring access and encouraging a competitive, open market on pricing which might then be able to compete with, and help limit the use of, the illicit market.

Conversely, some provinces and territories and public health experts advocated for government monopolies. They cited concerns that the private-enterprise model could oversupply the market if storefronts were allowed to proliferate unchecked. This could lead to overconsumption and overuse by at-risk populations. Government-controlled outlets might be more likely to demand proof of age, refuse sales to underage or apparently impaired customers, sell only products supplied by licensed producers and comply with other federal regulatory limits.

Regardless of the model chosen, there was strong support for ensuring employees would be well trained to inform consumers of responsible use and the risks of use/overuse, and to provide information on the different product types available to allow consumers to make informed choices. This was believed to be more likely in a retail environment that favoured single-purpose or dedicated cannabis sales. Vendor training was seen as a way to provide some consistency of the information provided to consumers.

Additionally, the Task Force heard strong support for prohibiting the co-location of cannabis sales with either alcohol or tobacco. Given the wide use and availability of liquor stores, concerns were raised about product promotion and exposing a larger population to cannabis products should sales be co-located, as well as the impact on cannabis consumers who are trying to avoid alcohol. Many also noted that this approach could help mitigate co-use, given what we heard about the risks of co-use on health and, with alcohol, the exponential effect on impairment. In all of the U.S. states that have legalized cannabis, there is a ban on the co-location of sales of cannabis and alcohol.

There was strong support for measures to control the density and location of retail stores. These measures prohibit storefronts from being located near schools, community centres and other public institutions. However, concerns were raised about the “downloading” of these regulatory responsibilities and costs to municipalities.

CONSIDERATIONS

Retail sales should be regulated by provinces and territories in close collaboration with municipalities. As with production, appropriate licensing fees should be established to recover the costs of administration. The Task Force sees the merits of both a government-run model and a private-enterprise model. Either model could achieve the goals of protecting public health and safety, reducing the illicit market and

controlling youth access. Ultimately, the Task Force believes that this decision rests with individual jurisdictions, but regardless of the model chosen, we believe that certain standards should be put in place and followed.

In their report *Public Health Perspectives on Cannabis Policy and Regulation*, Chief Medical Officers of Health note several public health concerns with the co-location of sales. Of particular concern is that, given the high rate of alcohol use by the adult population (over 80% of Canadians consume alcohol) compared to the relatively small usage rate of cannabis (approximately 11% of adults have consumed cannabis in the past year), there is a significant risk of cannabis and cannabis advertising being introduced to a large number of Canadians who might not otherwise use cannabis. In Ontario, for example, there are more than 137 million individual in-store transactions at the 654 Liquor Control Board of Ontario (LCBO) stores annually.⁵ Similarly, in BC there are more than 36 million individual annual customer visits to the 199 BC Liquor Stores.⁶ The potential for increasing rates of use and co-use run counter to the public health objectives of harm reduction and prevention.

In addition, co-location of sales might signify to some that co-use of cannabis and alcohol or tobacco is condoned or encouraged. We heard repeatedly about the significant risks of co-use to public health and safety, especially with respect to driving (see the *Impaired Driving* section in Chapter 4), and that governments must do whatever they can to prevent it. While there is little research to confirm that there is a direct correlation between co-location and co-use, a precautionary approach, combined with the example of how other governments have dealt with this issue, supports reducing possible risks by banning co-location of sales wherever possible.

Jurisdictions should avoid and strongly discourage the co-location of retail cannabis and alcohol or tobacco sales wherever possible. We acknowledge the challenges of smaller and remote communities that may not have the flexibility to accommodate dedicated, separate retail locations. Should separate retail locations not be feasible everywhere, safeguards to mitigate potential harms should be put in place to discourage co-use and mitigate the other concerns

5 www.lcbo.com/content/lcbo/en/corporate-pages/about/media-centre/quick-facts.html#.WC385LwiUk

6 From the Chief Medical Officers of Health report, *Public Health Perspectives on Cannabis Policy and Regulation*

that have been raised. These should include training staff and using clear signage to educate and inform customers of the risks of co-use, banning cross promotion and stocking alcohol/tobacco and cannabis in physically separated spaces.

In order to control access and curb overconsumption, provinces, territories and municipalities should consider using legislation and bylaws to prevent the proliferation of storefronts, including stores selling cannabis or cannabis paraphernalia, and to ensure locations are an acceptable distance away from schools, community centres, public parks, etc.

Retail outlets should be staffed with knowledgeable employees who have been trained through a formal training program, which will need to be developed. The training should ensure that staff are capable of:

- ▶ Providing accurate information and advice about the products being sold, and their potential risks and harms of use;
- ▶ Enforcing the minimum-age restriction and helping prevent youth access;
- ▶ Helping control overconsumption by informing consumers about appropriate and responsible use, and preventing sales to intoxicated consumers; and
- ▶ Informing tourists who purchase cannabis of their rights and obligations, especially with respect to not attempting to take cannabis across international borders.

Consideration should also be given to ensuring that online retail sales have appropriate consumer safeguards.

To accommodate those who may not have access to storefronts (e.g., small communities, rural and remote locations, mobility-challenged individuals) a direct-to-consumer mail-order system for non-medical cannabis should be considered. This will require appropriate provincial and territorial oversight.

ADVICE TO MINISTERS

The Task Force recommends that retail sales of cannabis be regulated by provinces and territories in close collaboration with municipalities.

The Task Force further recommends that the retail environment include:

- ▶ No co-location of alcohol or tobacco and cannabis sales, wherever possible. When co-location cannot be avoided, appropriate safeguards must be put in place
- ▶ Limits on the density and location of storefronts, including appropriate distance from schools, community centres, public parks, etc.
- ▶ Dedicated storefronts with well-trained, knowledgeable staff
- ▶ Access via a direct-to-consumer mail-order system

PERSONAL CULTIVATION

Apart from the commercial production, distribution and retail supply chain, personal cultivation provides a potential alternative means for consumers to access cannabis.

WHAT WE HEARD

Few topics of discussion generated stronger views than the question of whether to allow Canadians to grow cannabis in their homes for their own consumption. There are strong arguments both for and against allowing the personal cultivation of cannabis, shaped by Canadians' experience with home cultivation of cannabis over recent decades.

On the one hand, we heard compelling arguments in favour of prohibiting personal cultivation, notably in homes, because of the health and safety risks it can pose, the challenges associated with oversight and the potential ease with which it can be diverted to supply illicit markets. We also heard compelling arguments in favour of allowing personal cultivation, premised on the belief that personal cultivation can be done safely and responsibly.

Arguments against allowing for personal cultivation are largely shaped by current experience with large-scale grow-ops operating in a clandestine fashion in communities across Canada. We heard from law enforcement, municipal officials, landlords, neighbours and parents of uncontrolled, intrusive and dangerous commercial-scale operations that damage properties and threaten the safety of neighbourhoods. The concerns were numerous: risks associated with mould when large-scale growing occurs in buildings not designed or properly equipped to do so; improper electrical installation and associated fire hazards; unchecked use of pesticides and fertilizers; and break-ins and thefts—all of which result in dangers to neighbouring residences and first responders. Instances of explosions resulting from attempts to manufacture concentrates in a home-cultivation setting were also referenced.

These concerns were echoed when we visited Colorado. For example, law enforcement officials in Colorado described their recent experiences where global criminal organizations have established themselves in their state in order to produce cannabis for illicit markets.

Proponents of personal cultivation argue that, once a regulated, legal market for cannabis is established, the demand for illicitly produced cannabis should significantly decline and, over time, disappear. It follows that, as demand for illicit cannabis declines, so too will the number of large, commercial-scale illicit grow-ops and the risks they pose to public health and safety.

Proponents of personal cultivation further argue that, similar to alcohol, the majority of consumers will purchase from the legal market and few will choose to cultivate their own cannabis. Those who choose to cultivate will largely be law-abiding adults who grow a limited number of plants in a safe and responsible manner for their personal use (again, similar to the current circumstance with home brewing of alcohol).

From responses to the online consultation, there was widespread support for the inclusion of personal cultivation in a regulated regime. In fact, 92% of those who responded to the question were in favour of personal cultivation. Proponents cited a variety of arguments for allowing personal cultivation, including cost, personal preferences and access for those in rural and remote communities.

The law enforcement community has indicated a preference for a complete prohibition on personal cultivation. However, they also acknowledge the practical difficulties of trying to enforce a complete ban on cultivation for personal use.

Many who argued in favour of the personal cultivation of cannabis agreed that rules are required, such as prohibiting any unlicensed commercial production and sale, and preventing minors from accessing cannabis.

The Task Force heard from other jurisdictions which have allowed small-scale, own-use cultivation in tandem with a range of measures to help mitigate associated risks. The table below outlines how others have dealt with personal cultivation.

TABLE 1—PERSONAL CULTIVATION FOR NON-MEDICAL PURPOSES IN U.S. STATES (AND THE DISTRICT OF COLUMBIA) THAT HAVE LEGALIZED CANNABIS

	Washington	District of Columbia	Oregon	Colorado	Alaska
Personal cultivation	Not permitted (remains illegal)	Up to 6 plants—up to 3 mature—per adult (Maximum of 12 plants per residence—6 being mature—in a single house or rental unit)	Up to 4 plants per residence (regardless of the number of adults residing at the residence)	Up to 6 plants—up to 3 mature—per adult, in a fully enclosed, locked space (Maximum of 12 plants per residence, regardless of the number of adults living in the residence)	Up to 6 plants—maximum of 3 mature—per adult
Location	N/A	Indoor only—within the interior of a house or rental unit	Indoor and outdoor permitted	Indoor and outdoor permitted	Indoor and outdoor permitted

CONSIDERATIONS

It is currently legal to grow and produce tobacco for personal use in Canada (up to 15 kg of tobacco or cigars), just as it is legal to produce wine or beer at a residence for personal use. Wine-making, home brewing of beer and curing personally grown tobacco is undertaken primarily by advocates and connoisseurs in the post-Prohibition era. It is assumed that, over time, personally cultivated cannabis will follow the same course.

The experiences of Colorado and Washington with respect to the potential diversion of personally cultivated cannabis must be taken in context. In the United States, cannabis for non-medical purposes is illegal federally and in all but nine U.S. jurisdictions (eight states and Washington, D.C.). This contributes to demand from states where cannabis remains illegal. By enabling legal access to cannabis on a national level in Canada, it is anticipated that the demand for illicitly produced cannabis will diminish over time.

Small-scale cultivation of cannabis in the home is not without risks. Of particular concern is the exposure of children to cannabis. As a result, safeguards are important. Measures that have been adopted in other jurisdictions include lockable spaces for indoor production, securely fenced areas for outdoor production and ensuring plants are not visible from the street or from adjacent dwellings.

With a clear understanding of the risks associated with personal cultivation, the following safeguards would create a reasonable framework for enabling small-scale cultivation of cannabis for personal use:

- ▶ Set clear limits on the scale of cultivation permitted (maximum of four plants per residence), with a maximum height limit (100 cm);
 - ▶ Prohibit unlicensed sale (although some degree of sharing among friends and relatives is inevitable);
 - ▶ Prohibit the manufacture of concentrates in homes using volatile solvents and chemicals;
 - ▶ Establish guidelines to ensure cultivation is in spaces not visible or accessible to children;
- ▶ Encourage local authorities to establish their own oversight and approval frameworks, such as requiring individuals to notify local authorities if they are undertaking personal cultivation;
 - ▶ Regulate the market to enable a legal source for starting materials (e.g., seeds, seedlings, plant cuttings).

ADVICE TO MINISTERS

The Task Force recommends allowing personal cultivation of cannabis for non-medical purposes with the following conditions:

- ▶ A limit of four plants per residence
- ▶ A maximum height limit of 100 cm on the plants
- ▶ A prohibition on dangerous manufacturing processes
- ▶ Reasonable security measures to prevent theft and youth access
- ▶ Oversight and approval by local authorities

CHAPTER 4

ENFORCING PUBLIC SAFETY AND PROTECTION

INTRODUCTION

The Task Force heard the need for clear, enforceable rules to ensure all Canadians and law enforcement agencies understand what is permitted (and under what conditions) and what continues to be prohibited in the new legal regime. We also heard that penalties for contravening the rules need to be proportional to the contravention and that the criminal justice system should only be employed where necessary.

Currently, the impact of being arrested and convicted for simple cannabis possession offences has serious ramifications. The stigma of arrest, and the possibility of having a criminal record, are life-long consequences.

ILLEGAL ACTIVITIES

WHAT WE HEARD

Notwithstanding the Government's objective to eliminate the illegal market, law enforcement cautioned us that even a well-regulated, accessible and competitive industry will not completely eliminate illicit activity related to cannabis. While most consumers will prefer to purchase cannabis from a reliable, regulated, legal source, the Government should expect that there will continue to be attempts to operate outside of the legal regime. In moving to enact this new regime with clear rules, criminal penalties should be reserved for the most serious offences. There was strong support for addressing infractions by regulated parties—producers, distributors and retailers—within a regulatory framework, except where such activity threatened public safety.

A key area of concern was trafficking of cannabis. Many suggested that illicit production, trafficking, possession for the purposes of trafficking, possession for the purposes of export, and the import/export of cannabis outside of the new legal framework should continue to be prosecuted through criminal law. And, the focus should remain on illicit activities for commercial gain, not “social sharing”.

Given the additional risks associated with early and frequent use of cannabis, there was widespread agreement that criminal sanctions should be maintained with respect to providing cannabis to youth. Some respondents questioned whether criminal penalties would be appropriate in all situations, such as a family member providing a small amount of cannabis to youth for consumption at home (provincial and territorial alcohol schemes generally provide exemptions for such situations).

Overwhelmingly, respondents took the view that the criminalization of youth should be avoided. Most felt that criminal sanctions should be focused on adults who provide cannabis to youth, not on the youth themselves.

There was general agreement that non-criminal approaches should be implemented to discourage youth from possessing or consuming cannabis. Measures such as peer-organized support programs, community service and attendance at education courses were seen as effective means of giving youth the tools to assess, and better understand, the harms of their cannabis use. Some respondents raised concerns with the ticketing of youth, as this might lead to inequitable situations for youth living in challenging socio-economic circumstances.

CONSIDERATIONS

We recognize that organized crime is involved in the illicit cannabis markets, domestically and internationally. A robust and regulated production, distribution and retail network that meets demand in the domestic market will help curb the illicit market and help identify those who operate outside the legal market.

The sale of cannabis to minors should remain a criminal offence, as one of the primary objectives of legalization is to keep cannabis out of the hands of youth. Consideration should be given to excluding certain situations from criminal penalties, such as when a parent provides a small amount to a teenager to use while in a private setting.

We are mindful of the negative consequences that involvement in the criminal justice system can have for youth, especially disadvantaged or marginalized youth, and believe that this should be avoided to the extent possible. To that end, we do not believe that simple possession of cannabis by youth should be a criminal offence (apart from the limits on personal possession, discussed below). When youth engage in activities that are defined as criminal offences under the new framework, the discretion and flexibility available in the criminal justice system, in particular under the *Youth Criminal Justice Act*, should be used constructively to minimize these negative consequences.

Regulatory sanctions should be proportionate to the contravention and include a range of enforcement options. For example, monetary penalties could be used to encourage licensed businesses to comply with the rules around packaging requirements for edible products, labelling on products and mandatory testing of products. Repeat violations or product safety concerns could be treated more severely (i.e., licence revocation or mandatory product recalls). In serious cases (e.g., trafficking to foreign markets), the ability to lay criminal charges must be retained. The majority of Task Force members believe that criminal offences should also be retained for other serious offences such as illicit production and trafficking.

Although some criminal offences relating to cannabis should continue to exist, they do not have to be in the *Controlled Drugs and Substances Act* (CDSA). During our consultations, a few individuals and organizations raised questions about the form that the new legal framework would take and, in particular, whether cannabis should be removed from the scope of the CDSA. Ultimately these will be matters for the Government to determine, as our discussions have focused on the substance of the new framework rather than its form. However, the Task Force sees several advantages to the creation of new federal legislation dealing with cannabis.

This new legislation could bring together, in a single coherent set of provisions and regulations, the full range of issues relating to cannabis, including the production and marketing of cannabis products, their medical uses and regulation of the hemp industry. It could contain administrative sanctions to enforce the regulatory regime as well as a set of criminal offences. If cannabis were to remain under the CDSA, extensive amendments would be required to give effect to our recommendations. Separate legislation dedicated to cannabis would recognize a new beginning and provide a clear framework for industry and members of the public.

ADVICE TO MINISTERS

The Task Force recommends that the federal government:

- ▶ Implement a set of clear, proportional and enforceable penalties that seek to limit criminal prosecution for less serious offences. Criminal offences should be maintained for:
 - ▷ Illicit production, trafficking, possession for the purposes of trafficking, possession for the purposes of export, and import/export
 - ▷ Trafficking to youth
- ▶ Create exclusions for “social sharing”
- ▶ Implement administrative penalties (with flexibility to enforce more serious penalties) for contraventions of licensing rules on production, distribution and sale
- ▶ Consider creating distinct legislation—a “*Cannabis Control Act*”—to house all the provisions, regulations, sanctions and offences relating to cannabis

PERSONAL POSSESSION

Under a regulated system, adults who choose to use cannabis should be able to carry it with them to use responsibly. To some people, there should be no limits on the ability to carry a legal substance while, to others, possession of large amounts of cannabis could indicate intent to traffic. Deciding whether to recommend a limit on personal possession was a major issue for the Task Force.

WHAT WE HEARD

The Task Force heard different points of view on whether there should be a limit on the amount of cannabis an individual could have in their possession or on their person at any given time.

Many law enforcement officials argued in favour of personal possession limits, suggesting that such limits could be used as a tool to identify, investigate and prosecute individuals who may be engaging in illicit activity. This argument gains support from the fact that all other jurisdictions that have legalized cannabis have established a personal possession limit (see Table 2).

TABLE 2—PERSONAL POSSESSION LIMITS FOR NON-MEDICAL PURPOSES IN OTHER JURISDICTIONS THAT HAVE LEGALIZED CANNABIS

	Uruguay	Washington	District of Columbia	Oregon	Colorado	Alaska
Personal possession limits	40 grams per month Customers must register at point of sale (pharmacy); the information is collected in a federal database	A combined maximum of: <ul style="list-style-type: none"> • 1 oz. dried product • 16 oz. infused solid product • 72 oz. infused liquid product • 7 g concentrates 	2 oz. or less	8 oz. 1 oz. can be carried on the person	1 oz. or its equivalent	1 oz.
Total	40 grams per month	28.5 grams dried (or the equivalent)	57 grams	226 grams (only 28.5 g can be carried on the person)	28.5 grams	28.5 grams

While quantity alone is not indicative of trafficking, it can be an indicator and, in conjunction with other indicators (e.g., large amounts of cash on hand, small individual packages of cannabis), could help in determining whether to lay trafficking charges. The focus of investigative efforts should be on whether someone has the intent to traffic and not exclusively on the amount they possess. We were reminded that someone with an amount of cannabis under the prescribed limit could also be guilty of trafficking.

The Task Force also heard from a number of respondents who believe that a personal possession limit is unnecessary. They argue that there is no possession limit for legally purchased alcohol and tobacco, and that a personal possession limit would be impractical to enforce.

CONSIDERATIONS

All jurisdictions that have legalized cannabis for non-medical use have instituted a possession limit. The majority of the Task Force agrees that instituting a similar limit in Canada would be a reasonable precaution that may also provide clarity to assist law enforcement efforts. The amount of non-medical cannabis that individuals are permitted to carry on their person in a public place should be limited to 30 grams. A corresponding limit should be imposed on the amount that can be sold to an individual at one time.

As in other jurisdictions, this limit would apply to dried cannabis. An equivalent possession and sales limit for non-dried forms of cannabis will need to be developed.

Offences with respect to exceeding the limit should be dealt with through graduated administrative penalties (e.g., tickets, seizures, fines) except where there is evidence of intent to traffic.

ADVICE TO MINISTERS

The Task Force recommends that:

- ▶ A limit of 30 grams be implemented for the personal possession of non-medical dried cannabis in public
- ▶ A corresponding sales limit be implemented for dried cannabis
- ▶ Equivalent possession and sales limits for non-dried forms of cannabis be developed

PLACE OF USE

An important consideration in a regulated cannabis regime is how and where adult users may responsibly use cannabis without affecting the health and well-being of others.

WHAT WE HEARD

Traditionally, cannabis has been a smoked product. We heard concern about public use of cannabis and the general nuisance of second-hand smoke. We heard repeatedly that rules on place of use should align with current restrictions on smoking tobacco—clear recognition that second-hand smoke, regardless of the source, is a health hazard and viewed as an imposition in modern society. There is also concern that allowing the smoking or the increasingly popular vaping of cannabis in public spaces could potentially contribute to the “renormalization” of tobacco use and could undermine progress made to date on lowering tobacco consumption rates.

There was some discussion about permitting cannabis use in designated public spaces, such as cannabis lounges, tasting rooms or social clubs. Some expressed concern with the lack of private spaces available to certain demographics (e.g., renters, homeless individuals).

CONSIDERATIONS

The Task Force agrees with the widespread view that current restrictions on public smoking be extended to include the public smoking of cannabis. We do not want to see cannabis use contribute to a resurgence of tobacco smoking, nor do we want second-hand smoke (tobacco or cannabis) to affect the health of Canadians.

Many jurisdictions have taken steps to ban public use of vaping devices. While we acknowledge the ongoing debate over the merits of vaping products compared with smoking, we also recognize the jurisdiction of provinces, territories and municipalities in this regard.

ADVICE TO MINISTERS

The Task Force recommends that jurisdictions extend the current restrictions on public smoking of tobacco products to the smoking of cannabis products and to cannabis vaping products.

The Task Force further recommends that jurisdictions be able to permit dedicated places to consume cannabis such as cannabis lounges and tasting rooms if they wish to do so, with no federal prohibition. Safeguards to prevent the co-consumption with alcohol, prevent underage use, and protect health and safety should be implemented.

IMPAIRED DRIVING

Throughout our consultations, cannabis-impaired driving generated a great deal of concern and discussion. It is clear that there is heightened anxiety that legalization may lead to increased dangers on the road, putting the safety of Canadians at risk. Yet there is uncertainty as to the most appropriate course of action, owing to the lack of scientific evidence on some aspects and a lack of means to reliably assess impairment at the roadside.

WHAT WE HEARD

Law enforcement and other experts made it clear that cannabis-impaired driving is not a new challenge. It is a criminal offence that exists today and is a challenge that must be addressed, irrespective of how or when the Government legalizes cannabis. It is also an issue that transcends cannabis: impairment more generally, whether from cannabis, alcohol, prescription or illegal drugs, fatigue or other factors, is a significant road safety concern.

It is clear that cannabis impairs psychomotor skills and judgment. While there is a link between cannabis use and decreased driving performance and increased crash risk, several considerations were noted:

- ▶ Cannabis-impaired driving is more complex to study than alcohol-impaired driving;
- ▶ While scientists agree that THC impairs driving performance, the level of THC in bodily fluids cannot be used to reliably indicate the degree of impairment or crash risk;
- ▶ Whereas evidence was gathered over many years to arrive at an established metric for alcohol intoxication—Blood Alcohol Concentration (BAC)—these types of data do not exist for cannabis;
- ▶ In contrast to alcohol, THC can remain in the brain and body of chronic, heavy users of cannabis for prolonged periods of time (sometimes several days or weeks), far beyond the period of acute impairment, potentially contributing to a level of chronic impairment;

- ▶ Some heavy, regular users of cannabis, including those who use cannabis for medical purposes, may not show any obvious signs of impairment even with significant THC concentrations in their blood. Conversely, infrequent users with the same or lower THC concentrations may demonstrate more significant impairment;
- ▶ There is a significant combination effect when cannabis is consumed with alcohol, leading to a greater level of intoxication and motor control problems than when either substance is consumed alone;
- ▶ Roadside testing tools to measure THC presence in a driver's system are in development. Oral fluid screening devices are the most advanced today (and have the added advantage of signalling recent use);
- ▶ Other challenges exist, including the need to account for the rapid and sharp decline of THC levels in the blood in the hours following consumption through smoking (with edibles the decline is more gradual).

Most experts agreed that, despite these uncertainties, setting a *per se* limit for THC blood levels, which establishes a universally applicable level deemed to be consistent with significant psychomotor impairment and increased risk of crash involvement, would be a useful tool to deter cannabis-impaired driving. A *per se* limit, as is the case for alcohol, would simplify enforcement and adjudication by eliminating the need to prove, on a case-by-case basis, that a driver was impaired.

However, there was little agreement among experts on what that limit should be. More research is needed to help define an acceptable *per se* limit for THC that would be based on the same robust scientific testing and epidemiological research that supports the *per se* laws in place for alcohol.

By comparison, *per se* limits instituted in jurisdictions which have legalized cannabis for medical and non-medical purposes lack standardization in both the impairment threshold and the type of fluid collected and tested. Some jurisdictions use a blood sample while others require urine or oral fluid samples, and THC concentrations vary depending on which bodily fluid is tested. Thus, depending on the fluid used, *per se* limits in place range anywhere from 1 µg/L to 10 µg/L.

Some jurisdictions have taken alternative approaches to the use of a *per se* limit to assess and control cannabis-impaired driving. The first approach is the "zero tolerance" policy, which is a variation on the *per se* limit in which the legal limit is set at zero (or at low detectable levels). This approach is often used in jurisdictions where cannabis continues to be illegal.

The second approach is the "effect-based" approach, which involves proving through various assessment methods that cannabis has impaired the driver's ability to operate a vehicle. This is the system currently used in Canada. Drivers demonstrating impaired performance during a standardized field sobriety test (SFST) are then obliged to undergo an additional evaluation by a Drug Recognition Expert (DRE) who is properly trained and better able to detect impairment of drivers under the influence of cannabis or other drugs.

We were informed that DRE training for Canadian law enforcement is expensive, time-consuming, requires travel to the United States and is currently only available in English. As a result, few officers have been trained, resulting in insufficient capacity to deal with the current rates of drug-impaired driving. Other challenges include limitations on drawing blood and proving the impaired driving offence at trial.

Some experts called for a "general impairment" test that is not drug-specific. They argued that the real issue is impairment rather than the presence of any compound in the bodily fluid tested. There was also concern that frequent users, in particular medical users, may be impacted disproportionately.

There were repeated calls for funding and additional research in several areas, including:

- ▶ To better link THC levels to impairment, which could support the development of a *per se* limit;
- ▶ To develop effective and reliable roadside testing tools to detect THC levels and help law enforcement enforce the rules that are put in place; and
- ▶ To hire and train more DREs and officers able to conduct SFSTs.

In addition to the need for better detection techniques, we were also told about the importance of deterrence. Experts stated that the knowledge that impairment could and would be detected, coupled with the certainty of swift and meaningful sanctions, was the most effective way of deterring unwanted driving behaviours.

Additionally, many stakeholders advocated for implementing a public education campaign to inform Canadians about the risks of cannabis use while driving. The link was made to successes in reducing alcohol-related collisions in the late 20th century through robust and ongoing public education campaigns. Many also noted that public education campaigns should be targeted at youth, given their propensity to both use cannabis and be involved in automobile accidents. Recent public opinion research has shown a disturbing trend among youth of a lack of understanding of the effects of cannabis use and impairment. A significant proportion of youth believes that cannabis use leads to more cautious driving and that it is difficult for police to detect and charge drivers for cannabis-impaired driving. In fact, we heard that high school-aged drivers are far more likely to drive following cannabis use than after drinking alcohol.

There were repeated calls to continue to treat impaired driving as a serious criminal offence, especially in cases involving property damage or injury/death.

Many stakeholders recommended that other tools be made available in addition to criminal sanctions, such as graduated administrative penalties (e.g., licence suspensions, vehicle seizure, mandatory education, ticketing), supported by assessment, treatment and rehabilitation programs. These measures have proven effective in changing behaviours with respect to alcohol-impaired driving and also serve to reduce the burden on the justice system.

CONSIDERATIONS

The Task Force agrees with experts in law enforcement that impaired driving is a serious issue that exists currently and requires immediate action to protect public safety.

We acknowledge the clear need for investment in detection and enforcement tools. Most importantly, investment in research to link THC levels to impairment and crash risk is required to support the establishment of a scientifically supported *per se* limit. In addition, investments to support the development of accurate and reliable roadside testing tools are required.

Despite uncertainty with the current scientific evidence around a *per se* limit, establishing one would nevertheless be an important tool for deterring cannabis-impaired driving. As the scientific knowledge base continues to grow, a *per se* limit should be revisited and adjusted as necessary.

Medical cannabis patients expressed concern about how a *per se* limit could negatively affect them and sought special consideration. We are aware that the United Kingdom has instituted a medical exemption from their *per se* laws. However, it is important to note that this exemption only applies to the *per se* offences. A medical patient, regardless of the circumstances, could still be prosecuted for impaired driving.

A particular challenge with a *per se* limit is that it implies that it is acceptable to consume up to the established limit. Yet there is currently no evidence to suggest there is an amount of THC that can be consumed such that it remains safe to drive. Therefore, a *per se* limit must be reinforced by strong public education messaging on the dangers of impaired driving. It is clear that the best way to avoid driving impaired is to not consume before or while driving.

The Task Force would like to acknowledge the ongoing work of the Drugs and Driving Committee (the DDC), which is a committee of the Canadian Society of Forensic Science (CSFS), a professional organization of scientists in the various forensic disciplines. The DDC acts as an advisory body to the Department of Justice on issues relating to drug-impaired driving and has been given a mandate to develop reports regarding drugs that are proposed for zero-tolerance and *per se* legislation, including cannabis/THC. The complexity of this issue is underscored by the fact that the DDC has devoted significant time to exploring *per se* limits for THC. Its report to Government is still in development.

Given its ongoing work and the lack of consensus on this issue, the Task Force hopes that our considerations help inform the DDC's important work.

Cannabis-impaired driving should continue to be dealt with through federal criminal law, including more serious penalties for impaired driving causing injury or death. To deter cannabis-impaired driving among youth and new drivers, provincial and territorial governments should consider implementing a policy of zero tolerance for the presence of THC in the system of new or young drivers.

The use of SFSTs and DRE evaluations will continue to be the primary tool used by law enforcement to enforce cannabis-impaired driving laws until such time that a scientifically supported *per se* limit is established and a reliable roadside testing device is available for use. However, as noted by stakeholders, investment in DRE training and staffing is currently insufficient. Significant and additional resources are required to better equip law enforcement to detect impaired drivers and enforce the rules.

The Task Force believes that impaired driving needs immediate action through stable, ongoing investments in law enforcement to train, certify and hire more DREs and to ensure more officers are able to conduct SFSTs to assess impairment at the roadside. This could include developing a bilingual training and certification program in Canada. Once a suitable roadside testing device is developed, investments will also be necessary to deploy it nationally.

To complement the implementation of a system of penalties and enforcement, a robust and ongoing national public education campaign requires proper funding and implementation as soon as possible, prior to legalization. Its focus should be on the dangers of impairment caused by cannabis use and how to use responsibly. The public education campaign must be evidence-informed and should include a focus on the dangers of impairment more broadly.

As with current messaging for drinking and driving, the campaign should reinforce the message that cannabis use and driving should not be combined. The public education campaign should include messaging on the increased risks of using cannabis in combination with alcohol. Messaging also needs to reinforce that law enforcement has the capability to detect cannabis use through the SFST and DRE evaluations and that sanctions that carry serious consequences will be imposed.

Furthermore, the public education campaign needs a special focus on youth to dispel the myth that cannabis use leads to better driving.

Finally, co-ordination among the federal, provincial and territorial governments will be key to a successful public education campaign.

It will be essential to establish a baseline in order to accurately monitor and assess the impact of legalization on impaired driving. Ongoing surveillance and information sharing among all jurisdictions will build an evidence base to support adjustments to the system as trends and new evidence emerge. We recommend that governments make investments in this regard.

ADVICE TO MINISTERS

The Task Force recommends that the federal government:

- ▶ Invest immediately and work with the provinces and territories to develop a national, comprehensive public education strategy to send a clear message to Canadians that cannabis causes impairment and the best way to avoid driving impaired is to not consume. The strategy should also inform Canadians of:
 - ▷ the dangers of cannabis-impaired driving, with special emphasis on youth; and
 - ▷ the applicable laws and the ability of law enforcement to detect cannabis use
- ▶ Invest in research to better link THC levels with impairment and crash risk to support the development of a *per se* limit
- ▶ Determine whether to establish a *per se* limit as part of a comprehensive approach to cannabis-impaired driving, acting on findings of the DDC
- ▶ Re-examine *per se* limits should a reliable correlation between THC levels and impairment be established
- ▶ Support the development of an appropriate roadside drug screening device for detecting THC levels and invest in these tools
- ▶ Invest in law enforcement capacity, including DRE and SFST training and staffing
- ▶ Invest in baseline data collection and ongoing surveillance and evaluation in collaboration with provinces and territories

The Task Force further recommends that all governments in Canada consider the use of graduated sanctions ranging from administrative sanctions to criminal prosecution depending on the severity of the infraction. While it may take time for the necessary research and technology to develop, the Task Force encourages all governments to implement elements of a comprehensive approach as soon as feasible, including the possible use of administrative sanctions or graduated licensing with zero tolerance for new and young drivers.

CHAPTER 5

MEDICAL ACCESS

INTRODUCTION

The regulatory framework proposed by the Task Force for non-medical cannabis is influenced by prior medical regimes—in particular, through the establishment of safeguards for product quality and security and of safety provisions to prevent diversion.

The courts have recognized the rights of patients to access cannabis for medical purposes. The Canadian context dates back to the late 1990s and the first constitutional challenges to the Government's general prohibitions on access to cannabis. Patients argued that the prohibitions in the *Controlled Drugs and Substances Act* forced them to choose between their liberty and access to a necessary medicine, which was often supplied by compassion clubs and medical dispensaries that emerged to support the therapeutic use of cannabis.

In order to preserve the general prohibitions, the Government allowed access for medical purposes. Starting in 1999, this was achieved by issuing exemptions to allow individuals access on an exceptional basis. This exemption-based scheme was challenged and found to be deficient by the courts and was replaced in 2001 by a regulatory framework.

However, patients subsequently contended in a series of successful court challenges that the *Marihuana Medical Access Regulations* (MMAR) placed a number of unreasonable limits on their access to cannabis. The regulations were amended a number of times to address these constitutional deficiencies and ultimately were replaced, in 2014, by a new framework known as the *Marihuana for Medical Purposes Regulations* (MMPR). Unlike the MMAR, where patients could cultivate to supply their personal medical needs or designate someone to do so for them, the MMPR was based solely on commercial production, whereby individuals requiring access could purchase quality-controlled product from a producer licensed by Health Canada.

In a constitutional challenge to the MMPR, *Allard v. Canada*, the plaintiffs argued that the elimination of personal and designated person cultivation as had existed under the MMAR limited the availability and affordability of their medication. In its 2016 decision, the Federal Court of Canada declared the MMPR

unconstitutional on the basis that it did not provide patients with reasonable access to cannabis—that is, a reasonable choice of strains available at adequate prices and in the quantity required to meet medical needs.

In response, and during our consultations, the Government introduced new regulations, the *Access to Cannabis for Medical Purposes Regulations* (ACMPR), in August 2016. In addition to maintaining the system of access provided by licensed producers, the ACMPR provide patients with options to produce their own supply of cannabis for medical purposes in accordance with the daily amount outlined by their physician, to designate someone else to do so, or to purchase cannabis from a producer licensed by Health Canada.

While the Task Force was not involved in the development of the ACMPR, in formulating our advice on the future of medical access we have considered how this latest iteration of the Government's medical access regime works and how it is perceived by those most impacted by it.

ONE SYSTEM OR TWO?

While stakeholders appreciate that the formal clinical evidence base is incomplete, there is agreement that many individuals suffering from a variety of serious medical conditions derive therapeutic benefits from both THC and CBD. This makes these patients' use of cannabis different from that of non-medical users, even though the product (dried cannabis, cannabis oil, etc.) being used is the same.

While there was general agreement on the legitimacy of medical use, there were two very different perspectives as to the need for a separate system for medical access to cannabis. We recognize that these perspectives and views were shaped by the system that exists today—a system that is an exemption or carve-out to the general prohibitions that are otherwise in place.

On the one hand, there is a view that a separate system is necessary to preserve medical access. This is the dominant view of patients, who related to us the decades of effort, most often through court challenges, to gain access to cannabis for medical purposes. While acknowledging that cannabis for non-medical purposes

will be legal and more broadly available for those who choose to use it, patients stressed that they use cannabis out of necessity, not choice.

Patients expressed concerns that their needs would not be accommodated in the new system and that the access rights they have today could be lost. The following issues emerged as key areas of concern for them: the loss of recognition that their use of cannabis is for medical purposes and occurs under the supervision of a physician; shortages of supply; barriers for young people; and the stigma associated with having to purchase cannabis for medical purposes from a non-medical retail outlet.

On the other hand, we heard that there is no need for a separate system, as the end of prohibition will mean that those who need to access cannabis for medical purposes will be able to do so legally. This is the prevailing view of members of the medical community, who have long-standing concerns about being responsible for authorizing the use of a substance that is not an approved medicine and who see no need to play the role of “gatekeeper” moving forward. We also heard about the potential challenges posed by the operation of dual systems, both from an administrative and an enforcement perspective. Law enforcement and municipal representatives warned against perpetuating the abuse of licences to create large-scale grow operations.

ACCESS

During our consultations, we heard many compelling personal stories of how cannabis is making a difference to Canadians living with serious health challenges such as cancer, HIV/AIDS, multiple sclerosis, arthritis and fibromyalgia. We also heard about the role that cannabis can play in pain management and palliative care, and the relief that cannabis, particularly strains with high levels of CBD and low levels of THC, offers to children with severe forms of epilepsy.

We also learned that many individuals have come to use cannabis for medical purposes after exhausting other conventional treatments and medications. Several patients told us that their use of cannabis has enabled them to limit or eliminate their use of powerful narcotic drugs such as opioids.

These patients and their advocacy organizations worry that the access they have today will disappear under a system that does not acknowledge medical use as separate and distinct from non-medical use. In their view, removing the prohibitions on cannabis and moving to a single, non-medical system does not acknowledge the legitimacy of medical use nor the reasonable access rights that have been recognized by the courts.

AFFORDABILITY

Many patients cited the high costs they incur today in purchasing cannabis from licensed producers. We heard that it is not uncommon for patients to spend hundreds or thousands of dollars each month in order to acquire a sufficient supply of cannabis. This cost burden is compounded by the fact that, unlike prescription drugs, medical cannabis is neither exempt from the Goods and Services Tax (GST) nor eligible for reimbursement under public or private insurance plans (with very limited exceptions).

Patients worry that these costs would continue, or rise, due to new taxes or other price controls. We heard suggestions that the Government should, within a continued medical access system, support patients by “zero rating” medical cannabis under the *Excise Tax Act*, thereby eliminating the GST on its sale, and facilitate insurance coverage by recognizing cannabis as a drug or “drug equivalent.”

PRODUCTS

We heard a great deal of concern about availability, or the ability to access cannabis in the amount required, when required. Patients were concerned that they would lose access to their preferred strains of cannabis, particularly those likely not to be of interest to the recreational user (e.g., strains with low levels of THC). We were told about the product shortages that occur today, especially for cannabis oil, and concern that these shortages could be more prevalent in the future unless measures were taken to prioritize the needs of medical users.

Patients were also concerned about losing access to high-potency strains or product types that they currently use, either because of THC potency limits or cost barriers associated with a taxation structure based on THC potency.

For many patients who raised these affordability and availability concerns, the preservation of access through personal cultivation for medical purposes is crucial. The maintenance of personal cultivation is also key to those who have concerns with the quality of product from licensed producers and those who, for example, wish to grow pesticide-free plants.

While personal cultivation meets the needs of some medical users, there were many others who told us they prefer a commercially produced product. We heard from medical users who are satisfied with the quality and choice offered by licensed producers, the support and assistance they receive and the convenience and relative anonymity of mail-order delivery. Several licensed producers told us about the investments they have made in their production infrastructure, plant genetics research and strain development, as well as the efforts they have made to meet the needs of a diverse patient base, whether through customer support or compassionate pricing programs.

Many patients expressed concern with the limitations of the existing mail-order model, including the interruptions in supply resulting from the time required to ship and deliver cannabis once it is ordered. We heard that patients would benefit from in-person contact with educated and trained staff to discuss issues such as choice of strains and method of consumption. Patients were clear that there should be a dedicated medical access retail option, protecting them from, among other things, the potential stigma of having to disclose personal medical information in a non-medical retail environment. Some not-for-profit, holistic, individual-centred services exist and are seen to be of benefit to patients.

We are aware that national pharmacy associations and several major pharmacy chains have an interest in dispensing cannabis for medical use. They note that Canadians think first of pharmacies when they think of where to purchase medicine and that pharmacies have systems and infrastructure in place to safely handle and store narcotic drugs in accordance with federal regulations. These organizations also highlight the broad reach of pharmacies, including in rural Canada. We heard from them that pharmacists, as health professionals and experts in medication management, are well-placed to support patients. However, we are also aware that many pharmacists feel that they do not have the clinical training or information to properly advise and counsel patients on issues such as drug interactions, contraindications or potential dependence. Several of the provincial and territorial

regulatory and licensing authorities for pharmacists indicated that pharmacy distribution should not be considered until there is additional clinical research demonstrating the therapeutic value of cannabis and until cannabis has been approved for sale by Health Canada as a drug.

PUBLIC SAFETY

We heard from municipalities and law enforcement, in particular, about the abuse of cultivation provisions under the MMAR and concern that the ACMPR will be exploited in the same way.

These stakeholders relayed numerous examples of instances where licences issued under the MMAR, notably those to designated producers, were effectively used as a cover for illegal production and diversion to the illicit market. We heard about the size and scale of some of these designated producer operations and instances where law enforcement encountered thousands of plants in residential properties. Representatives from municipalities told us about the challenges these grow operations pose to neighbours, landlords and communities because of fires, break-ins and rental properties rendered uninhabitable due to mould or other contaminants.

EVIDENCE AND RESEARCH

The lack of information to guide clinical decision-making on the use of cannabis was the dominant theme of our discussions with the medical community.

Physicians and their regulators reminded us that the medical access system in place today not only serves as an exemption or carve-out to the prohibitions in the CDSA but also to the *Food and Drug Regulations* under the *Food and Drugs Act* (FDA).

This has placed physicians in the difficult position of being responsible to support patient use without a full understanding of benefits and risks to their patients, as they would have for any other prescription drug. While they recognize that some patients may obtain relief from their symptoms through the use of cannabis, they told us that it is difficult to meet their obligations to provide patient care and to protect patient safety when they do not have the evidence, training or guidance to do so. As a result, many physicians are unwilling to support the use of cannabis as a treatment, leaving some patients unable to secure the medical authorization needed to purchase or produce cannabis.

For this reason, both the Canadian Medical Association (the national association representing physicians) and the Federation of Medical Regulatory Authorities of Canada (the national association representing medical regulators) have expressed clear positions that it is not appropriate for physicians to continue to authorize access to cannabis. These associations believe that the removal of the prohibitions under the CDSA will eliminate the need for the medical access system as it exists today, including the requirements for physician authorization.

They suggest that reasonable access for medical purposes can be met through a single, non-medical system and that patient needs for information and advice could be fulfilled at point of sale by those involved in retail distribution. The medical establishment acknowledges that provisions would need to be made to accommodate minors requiring cannabis for medical purposes, as minors would otherwise be excluded from access.

The medical community also noted that there are cannabinoid-based medicines that meet the regulatory threshold of approval for sale as a prescription drug, meaning that they can be marketed for sale with claims as to safety, efficacy, quality and use for certain conditions. Physicians have standardized information about these drugs and are able to properly advise patients on issues such as interactions with other medication and adverse effects. They point to the presence of these prescription medications as evidence that the existing drug approval process can and should be used moving forward, leading to more cannabis- and cannabinoid-based drugs being prescribed by physicians and dispensed by pharmacists.

It was further suggested that the removal of the prohibitions on cannabis may help to create an incentive for the research that is needed to meet the FDA threshold of evidence, whether by licensed producers or others. It was suggested to us that the Government could do more to incentivize and incubate this research, possibly through funding agencies such as the Canadian Institutes of Health Research (the federal agency mandated to invest in health research), and could actively promote the existing FDA approval process for cannabis- and cannabinoid-based products. Proponents point out that this approach, which would lead to products with market authorization and associated Drug Identification Numbers (DINs), would address some of the affordability issues cited by patients, since drugs with a DIN are eligible for reimbursement under public and private insurance plans.

Some stakeholders, including a number of patients, suggested that the Government create a standalone pathway for the approval of cannabis medicines, leading to DINs or DIN-equivalents, in certain circumstances. Other stakeholders asserted that the approval process used for natural health products would be appropriate to use for cannabis, given that it is a herbal medicine. However, there was acknowledgement that the natural health products regime might not adequately accommodate the ways in which cannabis is used to treat certain serious conditions and that natural health products do not typically qualify for insurance coverage.

Patients underscored that industry would be unlikely to invest in clinical drug development research without the presence of, and a pathway to, a dedicated medical market. There was particular concern that there would be little research into CBD-rich strains of cannabis that have potential medical applications, leaving patients to accommodate their medical needs with products aimed at non-medical users.

CONSIDERATIONS

In considering our recommendations on medical access and cognizant of our guiding principles, we aimed to promote the following:

- ▶ Continuing to provide patients with reasonable access to cannabis for medical purposes, such that they can acquire and use cannabis to meet their needs while not facing undue constraints of cost or choice;
- ▶ Supporting the medical community with ongoing research and evidence on the therapeutic benefits and risks of the use of cannabis for medical purposes; and
- ▶ Contributing to the integrity of the overall cannabis framework that the Government will establish and minimizing the potential for abuse and diversion.

While the current medical access system is not without its challenges, we understand that the ACMPR provide patients with the flexibility to access cannabis in the way that best meets their medical needs and accommodates their personal circumstances, whether that be from licensed producers or personal cultivation. However, we did hear concerns that the legitimacy of the system has been compromised by the continued presence of

persons designated to cultivate for medical users, many of whom have exploited their status for illicit gain at the expense of the communities in which they are located.

As such, and in light of the extent of the change that is to come, we believe that the Government should maintain the ACMPR, with some modifications, at the outset of the new system of regulated legal access. This represents a sensible means of preserving patient access at a time of unprecedented change, but it must be complemented by increased research and evidence about cannabis for medical purposes. We further believe that the Government should re-evaluate the ongoing relevance and need for the medical access system in five years.

We recognize that, in the interim, patients may be concerned as to whether licensed producers will continue to be able to supply their needs if they are permitted to supply the non-medical market. Patients may also be worried about the impact of a new tax scheme applicable to all cannabis products. It will be imperative for the Government to monitor patient access closely as the new system for legal access to cannabis is implemented. The Government will need to work closely with licensed producers and patients to identify and address emerging issues and take decisive action if required, whether requiring licensed producers to prioritize supply for medical users or establishing price controls for medical users. The Government should take the necessary steps to have the authority to regulate these issues moving forward, while being mindful that executing these authorities may create the potential for market distortion and exploitation as individuals seek to benefit from perceived advantages in the medical regime.

In the interests of patients, however, the Government should be prepared to expedite other broad changes to the regime should monitoring reveal that reasonable access is being compromised. This could include pharmacy distribution, although we recognize that making such a change would also require regulatory changes at the provincial and territorial level, given the role that provincial and territorial regulatory and licensing authorities play in regulating the scope of practice of pharmacists. We would encourage the Government to engage in discussions with provinces and territories, the regulatory and licensing authorities, pharmacy associations and other implicated stakeholders to explore the feasibility of this approach.

We understand that there are valid concerns about the potential for abuse of the personal cultivation provisions of the ACMPR, particularly by those without medical needs or who use medical needs as a shield for illicit activity. However, on balance, we accept that personal cultivation can be done safely and responsibly, without risk to the patient or to others, and we acknowledge the role that it plays for medical users who otherwise would be prevented from acquiring cannabis because of its cost.

However, the Task Force believes that the Government should respond to the concerns expressed by municipalities, law enforcement officials and community members by immediately reviewing the current risks associated with designated production and the ongoing need for such production. There should be a sufficient range of options available to patients in the future to easily access cannabis for their medical need. The majority of Task Force members believe that the problems with the activities of some designated producers are serious and that the Government should determine an appropriate timeframe for phasing out this provision as the new system for non-medical uses of cannabis is established.

We appreciate the hesitancy of the medical community to participate in authorizing cannabis for medical purposes under the ACMPR and understand that this creates a barrier to access for some patients. It is clear to us that both physician and patient interests will be served by advancing science and research on the therapeutic uses of cannabis and associated issues relating to dosage, potency, consumption methods, interactions with other medicines and adverse effects. As the CMA noted in its submission to the Task Force, "It is important that there be support for research of cannabis in order to develop products that can be held to pharmaceutical standards."

Although we heard some support for the Government to incentivize this research by creating a new, standalone pathway for the approval of cannabis medicines, we believe that there is a place for cannabis- and cannabinoid-based medicines under the existing FDA drug approval process for prescription medications. With approvals, these medicines could be marketed with claims as to their safety, efficacy and use, and be exempt from GST, like other prescription drugs. With market authorization and DINs, these medicines would become eligible for inclusion on public and private drug formularies and insurance plans, thereby addressing the affordability barriers about which we heard.

Some companies may wish to market cannabis products as “wellness products” rather than as medicines. We understand that the federal government is currently conducting a review of its approach to the regulation of natural health products. The question of CBD or other non-psychoactive cannabinoids as potential wellness products is likely to be explored in this review process and will be informed by emerging research in this area.

The Government must work with industry, the medical community and the patient community to promote and encourage clinical research and drug approval submissions for cannabis- and cannabinoid-based products. Although industry has a significant role to play here, there may be merit to the Government investing in targeted research in this area, potentially through agencies such as the Canadian Institutes of Health Research.

We recognize that this work will take time and, in the interim, it is incumbent on the Government to take steps to ensure that both physicians and patients have access to clear, non-biased, non-promotional, evidence-based information to assist in decision-making. We see a vital need for governments to work with the medical community on issues such as medical school curricula, continuing medical education and training. Furthermore, governments must, as part of their broader education initiatives, ensure that material is developed and made available to support patients in their use of cannabis for medical purposes.

ADVICE TO MINISTERS

The Task Force recommends that the federal government:

- ▶ **Maintain a separate medical access framework to support patients**
- ▶ **Monitor and evaluate patients’ reasonable access to cannabis for medical purposes through the implementation of the new system, with action as required to ensure that the market provides reasonable affordability and availability and that regulations provide authority for measures that may be needed to address access issues**
- ▶ **Review the role of designated persons under the ACMPR with the objective of eliminating this category of producer**
- ▶ **Apply the same tax system for medical and non-medical cannabis products**
- ▶ **Promote and support pre-clinical and clinical research on the use of cannabis and cannabinoids for medical purposes, with the aim of facilitating submissions of cannabis-based products for market authorization as drugs**
- ▶ **Support the development and dissemination of information and tools for the medical community and patients on the appropriate use of cannabis for medical purposes**
- ▶ **Evaluate the medical access framework in five years**

CHAPTER 6

IMPLEMENTATION

“ This is about the hardest, most complicated thing in public life that I've ever had to work on.”

—Colorado Governor John Hickenlooper, from interview with *60 Minutes*, broadcast on October 30, 2016

As this report makes clear, the regulation of cannabis is a complex public policy issue and, as with other complex policy issues, the depth and scale of the complexity increases as we turn to the practicalities of implementation.

As governments determine how to roll out the new system, there are many aspects to consider, including:

- ▶ The kinds of capacity and infrastructure governments will need to develop or expand, and in what areas;
- ▶ The kinds of oversight that are necessary during implementation, including monitoring, evaluation and review;
- ▶ How different levels of government will work together, including with municipalities and Indigenous governments and representative organizations; and
- ▶ What communication with the public is required, and when.

It will be a challenge for governments to manage the period between the coming into force of federal legislation, at which point cannabis will be legal, and the creation of regulations for the regime (in addition to the passing of provincial and territorial legislation and regulations). Some provinces and territories have urged that this period be as short as possible, to limit the growth of unregulated commercial activity. While there are likely to be calls for special measures during this period, such as decriminalization of cannabis, governments should focus on the long-term success of the system. It will be necessary for governments to co-ordinate efforts in order to implement the regime as quickly as possible. Public education and clear and regular communications will be critical during this period.

CAPACITY

Canada's governments, and many other organizations, will need to work quickly to prepare for the implementation of the new system, increasing or developing capacity in many areas relating to production, distribution and retail, quality control and enforcement, and research and surveillance. This increase in capacity will require new resources (human and financial), enhancements to existing institutions and the creation of new ones. Having all elements in place will be necessary for the proper functioning of the regime. Some, such as infrastructure for distribution and retail, will be the domain of the provinces and territories. The Task Force recommended earlier in this Report that the federal government should increase capacity in areas such as prevention and treatment programs for individuals suffering from dependence. Federal investment will also be needed in research and surveillance, laboratory testing, licensing and regulatory inspection and training to increase capacity ahead of regulation; these elements are outlined below.

National funding for research and surveillance:

Research is critical to the regulated cannabis regime in two critical ways: *surveillance*, to monitor the progress and efficacy of the regulatory measures; and *research*, to provide a better understanding of the benefits and harms of cannabis. There is overlap between these areas—for instance, both surveillance and research can be used by governments to adjust and improve the regulatory regime. The legalization of cannabis provides an opportunity to develop the knowledge base in both areas, but federal leadership and funding will be essential. (More information on the collection and use of surveillance data is in the *Oversight* section below.)

As a result of long-standing prohibition, the study of cannabis is decades behind that of legal therapeutic substances such as opioids, but plans are underway to improve this situation. In the fall of 2016, members of the Task Force attended a number of meetings of researchers who are identifying knowledge gaps on non-medical cannabis and identifying priorities for future research. These include research on scientific and medical aspects (e.g., the effects of cannabis on the brain and behaviour and better understanding the endocannabinoid system), public health (e.g., psycho-social impacts of cannabis) and drug-impaired driving (e.g., questions around *per se* limits, impairment detection and measurement).

Our Report recommends dedicating a portion of government revenues to research, but funding in this area should start early. Governments should also encourage research-granting councils to establish cannabis research as a priority and encourage the academic and private sectors to contribute to research funding.

The Task Force is also aware that the World Health Organization has not conducted a systematic review of cannabis since 1935. Given the global dialogue on cannabis reform, we think it appropriate that Canada, as part of its international engagement, call on the WHO to conduct a new systematic review.

Establishing and promoting laboratory standards:

Laboratory testing is a cornerstone of some of the health and safety measures proposed in Chapter 2. Specifically, the mandatory product testing recommended by the Task Force is intended to minimize the risk of contaminated products entering the market and to verify the information on labelling, in order to help consumers make informed decisions. Canada is in the fortunate position of having laboratory standards for cannabis as part of the existing medical cannabis program; as noted in Chapter 3, the capacity of this system will need to be adapted to a new regulatory environment and enhanced so that licensed producers can meet new product safety, quality and labelling requirements. The federal government will play a key role in facilitating this enhancement and ensuring it is capable of meeting the needs of the new regime.

Licensing and inspection: To be effective, a regulatory regime's requirements must be enforced. Governments will need to ensure that they have the resources and tools in place to do so. This will include building capacity for licensing and inspection at all levels of government: federal (e.g., for production and laboratories), provincial and territorial (e.g., for distribution and retail), and municipal (e.g., for home-cultivation permits).

At the federal level, the existing inspection system for medical cannabis could serve as a solid foundation to meet the needs of the new framework but would need to be appropriately resourced and expanded. In addition, it will be important that the Government ensure adequately resourced and timely federal licensing capacity, including processing of licence applications and facilitating access to seeds for production.

Training: Those who enforce the new regime—including police, who enforce the criminal law, and government inspectors, who verify that companies and individuals are complying with regulations—will need proper training to be able to do their jobs. While all levels of government will be involved in training officials within their respective jurisdictions, we can expect that most will look to the federal government for leadership in setting standards and developing content for such training.

ADVICE TO MINISTERS

The Task Force recommends that the federal government:

- ▶ Take a leadership role to ensure that capacity is developed among all levels of government prior to the start of the regulatory regime
- ▶ Build capacity in key areas, including laboratory testing, licensing and inspection, and training
- ▶ Build upon existing and new organizations to develop and co-ordinate national research and surveillance activities
- ▶ Provide funding for research, surveillance and monitoring activities

OVERSIGHT

To be satisfied that the system is minimizing harms and maximizing benefits as intended, it will need close monitoring, at least initially. This will require data gathering, measurement, analysis and reporting of results. The results of this process will allow governments to make adjustments, based on timely evidence.

Surveillance and Monitoring: Surveillance and monitoring of the regime will be done in different ways. Government regulators will monitor the market—producers, retailers and other participants—to verify that products and processes meet requirements. Surveillance also refers to monitoring population-level indicators, such as patterns of use, age of initiation and use of cannabis with tobacco, alcohol and other drugs. To measure the impact of changes, governments will need to establish “baseline” indicators prior to legalization. We heard from several stakeholders, as well as U.S. states such as Colorado, that gathering this baseline data should be an immediate priority and begin prior to implementation.

Fortunately, work is underway in Canada to prepare for this. The Canadian Institutes of Health Research held a workshop in October 2016 to examine baseline data needs and, as a first step, the federal government is planning a new national cannabis survey to obtain more comprehensive data on cannabis use.

The federal government should work with provincial, territorial and municipal governments on the sharing of data from their respective jurisdictions. Sources of this data may include sectors such as health care (e.g., visits to emergency departments and hospitalizations), law enforcement (e.g., police-reported incidents and charges), industry (e.g., cultivation and manufacturing data) and transportation (e.g., traffic accident data).

An example of the importance of co-ordination and data sharing is in relation to poison control centres—provincial and territorial services that help the general public and health-care practitioners seek guidance and medical advice for treatment of poisonings, chemical intoxications and adverse drug reactions. They are an important data source given the risk of accidental ingestion of cannabis products. However, calls to the centres are not systematically aggregated or analyzed nationally, and there is a recognized need to integrate their information to provide a national picture. Efforts are underway to provide national-level data associated with cannabis exposures (and other substances) and to develop a baseline before regulation.

Evaluation: As noted above, data will be needed to track the evolution of the new system. Analysis that compares data gathered from surveillance activities under the new system against baseline data will help regulators determine whether we are on track to achieve the goals of reducing use by youth and reducing the profits of the illicit industry.

Timely data collection, evaluation and reporting of results will be key to the successful development of the system.

ADVICE TO MINISTERS

The Task Force recommends that the federal government:

- ▶ Establish a surveillance and monitoring system, including baseline data, for the new system
- ▶ Ensure timely evaluation and reporting of results
- ▶ Mandate a program evaluation every five years to determine whether the system is meeting its objectives
- ▶ Report on the progress of the system to Canadians

CO-ORDINATION

For this system to be successful, federal, provincial, territorial, municipal and Indigenous governments will need to work together on information sharing, including the data required for oversight, and on the co-ordination of efforts to set up all of the components of the new regime, including production, distribution and retail. Provincial and territorial officials who met with the Task Force saw close co-ordination on the rollout as essential.

Canada should prioritize engagement of Indigenous governments and representative organizations regarding their interests, perspectives and roles as the new system is designed and implemented. The Task Force also heard from Indigenous leaders and organizations of their interest in participating in the forthcoming cannabis market and of economic opportunities which may contribute to creation of new jobs in their communities. A particular interest of Indigenous representatives is the opportunity for Indigenous governments or individuals to acquire cannabis production and distribution licenses.

There exists in Canada a strong and well-informed base of organizations, advocates, charities, foundations and other stakeholders who have advanced cannabis-related research and policy work. These groups can be relied upon as important sources of knowledge and advice as governments move forward to enact the new system. Non-governmental organizations will play an important role in the implementation of the new system.

ADVICE TO MINISTERS

The Task Force recommends that the federal government:

- ▶ Take a leadership role in the co-ordination of governments and other stakeholders to ensure the successful implementation of the new system
- ▶ Engage with Indigenous governments and representative organizations to explore opportunities for their participation in the cannabis market

COMMUNICATION

Governments should communicate early, clearly, consistently and often to Canadians about the new system. Youth and parents will need the facts about cannabis and its effects. Actors in the new system—including employers, educators, law enforcement, industry and others—will require information tailored to their specific roles. As such, communication can serve multiple purposes:

- ▶ Public education campaigns (see Chapter 2), including information for schools to help them adjust curricula;
- ▶ Information to help consumers make informed choices;
- ▶ Information for the public on how the regulation of cannabis “works”—what is allowed, what is not, and why, including during the interim period before the system is operational;

- ▶ Guidance for health-care practitioners on the medical use of cannabis, updated regularly to account for new research;
- ▶ Guidance for municipalities, law enforcement, employers and others on their roles and responsibilities under the new system; and
- ▶ Information for industry on licensing and other rules for their participation in the regulated system.

Funding will be required early to ensure a public education campaign is implemented ahead of legalization. Messaging on harms and benefits will need to be co-ordinated among different governments and shared with industry and advocacy groups. The results of oversight will need to be communicated with Parliament and the public. Canada should expect strong interest from the international community and be prepared to share information on its approaches, data and lessons learned.

ADVICE TO MINISTERS

The Task Force recommends that the federal government:

- ▶ Provide Canadians with the information they need to understand the regulated system
- ▶ Provide Canadians with the facts about cannabis and its effects
- ▶ Provide specific information and guidance to the different groups involved in the regulated cannabis market
- ▶ Engage with Indigenous communities and Elders to develop targeted and culturally appropriate communications
- ▶ Ensure that Canada shares its lessons and experience with the international community



Nanaimo News Bulletin



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NEWS

Pot dispensary operators call for regulation



Matthew O'Donnell, community liaison for Mid Island Health and Wellness Association, says Nanaimo marijuana dispensary operators are again calling upon the city license and regulate marijuana retail outlets to prevent situations such as the recent opening of a dispensary next to a daycare centre. — Image Credit: CHRIS BUSH/The News Bulletin

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by Chris Bush - Nanaimo News Bulletin
Nanaimo posted Feb 21, 2017 at 10:00 AM

Nanaimo marijuana dispensary operators have voiced their opposition to a competitor's attempt to open next to a daycare centre and are calling upon government to establish regulations and licensing of marijuana dispensaries in the city.

Police **raided** the Leaf Labs Medical Cannabis Services dispensary at 679 Terminal Ave and arrested one man Feb. 13, three days after it opened next door to the Kidz Kompany daycare centre.

"We've been trying to reach out to this dispensary owner for quite some time to, basically, let them know that you're rocking the boat here in Nanimo," said Matthew O'Donnell, community liaison for Mid Island Health and Wellness Association. "We're trying really hard to have regulations come to Nanaimo, just like they have in Victoria, Vancouver and Port Alberni.

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“Opening up next door to a daycare centre, it’s just not the right thing to do. It doesn’t help the community and it doesn’t help the cannabis community, either.”

A group of marijuana dispensary owners penned a letter, which called upon the city, in light of the Leaf Labs incident, to take action on regulating and licensing dispensaries ahead of federal government decisions on cannabis legalization.

Nanaimo Mayor Bill McKay planned to introduce a motion to have city staff draft a [dispensary regulations bylaw](#) at a council meeting in December, but council ran out of time dealing with other items on the agenda.

We encourage an open exchange of ideas on this story's topic, but we ask you to follow our guidelines for respecting community standards. Personal attacks, inappropriate language, and off-topic comments may be removed, and comment privileges revoked, per our Terms of Use. Please see our FAQ if you have questions or concerns about using Facebook to comment.



The banner features the 'save.ca' logo in blue with a stylized 's' and 'c', and the text 'WEEKLY FLYERS' below it. Two small thumbnail images of flyers are shown, one on the left and one on the right. A left-pointing arrow is to the left of the thumbnails, and a right-pointing arrow is to the right. Below the thumbnails is a green button with the text 'View All Flyers' and a right-pointing arrow.

THE CORPORATION OF THE CITY OF ENDERBY

BYLAW NO. 1626

A BYLAW TO AMEND THE CITY OF ENDERBY BUSINESS LICENSE AND REGULATION
BYLAW NO. 1558, 2014

WHEREAS Council of the City of Enderby has adopted "The City of Enderby Business License and Regulation Bylaw No. 1558, 2014";

NOW THEREFORE Council of the City of Enderby, in open meeting assembled, enacts as follows:

1. This bylaw may be cited as the "City of Enderby Business License and Regulation Bylaw No. 1558, 2014 Amendment Bylaw No. 1626, 2017".

2. *Section 2 - Definitions* of "City of Enderby Business License and Regulation Bylaw No. 1558, 2014" is hereby amended by including the following definitions:

"Marihuana" means all parts of the genus cannabis whether growing or not and the seed or clone of such plants.

"Marihuana-Related Business" means a business, not-for-profit, charity, cooperative, shared economy venture, or other entity which uses a premises for the consumption, display, storage, sale, trade or other exchange of marihuana or marihuana-containing products, including but not limited to dispensaries and compassion clubs.

3. *Section 4 - Licensing Regulations* of "City of Enderby Business License and Regulation Bylaw No. 1558, 2014" is hereby amended by including Section 4.a.vii as follows:

vii. The license period for a Marihuana-Related Business shall be one (1) year, to commence on January 1 and to terminate on December 31, on each and every year this bylaw is in effect. An application for a license renewal for a Marihuana-Related Business must be received by the City by December 15th in each calendar year.

4. *Section 5 - Business Regulations* of "City of Enderby Business License and Regulation Bylaw No. 1558, 2014" is hereby amended by including Section 5.i as follows:

i. Marihuana-Related Business:

i. No Marihuana-Related Business shall operate in the City of Enderby without first having obtained a license.

ii. Every person who makes application for a license to operate a Marihuana-Related Business must demonstrate that the proposed use is lawful under all applicable Provincial and Federal statutes and regulations.

- iii. A person applying for the issuance or renewal of a license to carry on a Marihuana-related Business must:
 - a) make application to the License Inspector on the form provided for that purpose;
 - b) pay to the City the applicable license fee under the City of Enderby Fees and Charges Bylaw No. 1479, 2010, as amended from time to time;
 - c) provide a security plan for the premises that, in the opinion of the License Inspector, describes adequate security measures to mitigate risk of theft or robbery at the premises;
 - d) provide proof of a security and fire alarm contract that includes monitoring at all times during the period for which the license is being sought;
 - e) provide proof of ownership or legal possession of the premises;
 - f) provide a current police information check for:
 - 1. the applicant;
 - 2. if the applicant is a corporation, each shareholder, officer and director; and
 - 3. each on-site manager; and
 - g) provide any other documents required by the License Inspector.
- iv. The License Inspector may suspend or refuse to issue or renew a license for a Marihuana-Related Business if:
 - a) the applicant or licensee, or a shareholder, officer, director or on-site manager of the applicant or licensee:
 - 1. was convicted anywhere in Canada of an offence involving dishonesty;
 - 2. was convicted, found guilty of, or liable for any contravention or offence relating to the conduct of a business similar to that to which the license relates;
 - 3. was convicted, found guilty of, or liable for any contravention or offence, in Enderby, against this bylaw or against any bylaw authorizing the issuance of a business license or regulating the conduct of a business; or
 - 4. was guilty of misrepresentation, nondisclosure or concealment of any material fact, relating to the subject

matter of the license or required to be stated in, the application.

- v. A license holder for a Marihuana-Related Business must:
 - a) install video surveillance cameras that monitor all entrances and exits and the interior of the premises at all times;
 - b) retain video camera data for at least 21 days after it is gathered;
 - c) install a security and fire alarm system that is, at all times, monitored by a licensed third party;
 - d) not allow marihuana, products containing marihuana or other valuables to remain on the premises when not open to the public, unless the marihuana, products and other valuables are securely locked in a safe on the premises;
 - e) prominently display a sign on the premises indicating that no persons under 19 years of age are permitted on the premises unless accompanied by a parent or guardian;
 - f) ensure that two employees are present on the premises at all times when open to the public, including one manager;
 - g) promptly bring to the attention of the License Inspector:
 - 1. the name of any new on-site manager, officer, director or shareholder of the licensee; and
 - 2. any criminal charge brought against the licensee or an on-site manager, officer, director or shareholder of the licensee;
 - h) promptly provide to the License Inspector a current police information check for any new on-site manager, officer, director or shareholder of the licensee; and
 - i) install and maintain an air filtration system that effectively minimizes odour impacts on neighbouring properties.
- vi. No Marihuana-Related Business shall be located within 100 meters of any residential zone, daycare facility, preschool, playground, community centre, school, public park, civic or religious institution or any use catering to individuals under the age of 18.
- vii. A license holder for a Marihuana-Related Business must not do any of the following:

- a) Permit a person under 19 years of age to enter or remain on the premises of the Marihuana-Related Business unless accompanied by a parent or guardian over 19 years of age;
 - b) Operate the Marihuana-Related Business between the hours of 7 p.m. and 8 a.m. the following day;
 - c) Permit the consumption of any marihuana containing product on the premises;
 - d) Block the windows of the premises with opaque material, artwork, posters, shelving or any other material;
 - e) Display items related to the consumption of marihuana in any manner by which the display may reasonably be seen by a minor who is outside the premises;
 - f) Advertise or promote the use of marihuana in any manner by which the advertising or promotion may reasonably be seen or heard by a minor who is outside the premises;
 - g) Display any advertising or sign that is visible from outside of the premises, except for signs which display no images and contain only:
 - i. alpha-numeric characters,
 - ii. the business name, and

are consistent with the requirements of Section 310 of the City of Enderby Zoning Bylaw No. 1550, 2014, as amended from time to time; and
 - h) Use the premises to carry on business other than that defined as a Marihuana-Related Business.
- viii. For the purposes of this bylaw, any business, not-for-profit, charity, cooperative, shared economy venture, or other entity which uses a premises for the consumption, display, storage, sale, trade or other exchange of marihuana or marihuana-containing products shall be considered a Marihuana-Related Business and will be subject to all the applicable terms, conditions, and fees of a Marihuana-Related Business.

READ a FIRST time this 20th day of February, 2017.

READ a SECOND time this 20th day of February, 2017.

READ a THIRD time this 20th day of February, 2017

ADOPTED this day of , .

MAYOR

CHIEF ADMINISTRATIVE OFFICER

THE CORPORATION OF THE CITY OF ENDERBY

BYLAW NO. 1627

A BYLAW TO AMEND FEES AND CHARGES BYLAW NO. 1479, 2010

WHEREAS Council of the City of Enderby has adopted "The City of Enderby Fees and Charges Bylaw No. 1479, 2010";

NOW THEREFORE Council of the City of Enderby, in open meeting assembled, enacts as follows:

1. This bylaw may be cited as the "The City of Enderby Fees and Charges Bylaw No. 1479, 2010 Amendment Bylaw No. 1627, 2017".
2. Schedule "1" of the "City of Enderby Fees and Charges Bylaw No. 1479, 2010" is hereby amended by including Section 3 (p) as follows:
 - (p) Annual Business License Fee for
Marihuana-Related Business \$5,000

READ a FIRST time this 20th day of February, 2017.

READ a SECOND time this 20th day of February, 2017.

READ a THIRD time this 20th day of February, 2017.

ADOPTED this day of , .

MAYOR

CHIEF ADMINISTRATIVE OFFICER

107 Larsen Avenue
Enderby BC V0E 1V2

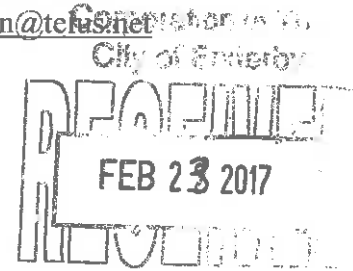
Phone: 250 838 2274

Email: alyjon@telusnet

February 21, 2017

Mayor and Councillors
Corporation of the City of Enderby.

Agenda



Not The Way I Heard It

The February 10 issue of RiverTalk contained details of an interview with Councillor Shishido about Council's interest in possible removal of the mural on the City Hall building. I can understand that perhaps not all Councillors know the significance of this mural and hope the information following (some obtained from Enderby's excellent archives) will help future deliberations.

This big project was conceived and executed by the Wild Wallflower Community Mural Concept committee chaired by Susan Kikcio and is a stunning example of folk art, 56 by 16 feet in size, and designed by eminent local artist Frances Hatfield to commemorate the community play of the same name which was performed 10 times on the banks of the Shuswap River in May, 1999.

The play (Cathy Stubington's far-reaching idea) involved the efforts of nearly 800 people and was by all reports a heart-warming time of reconciliation between the Splats' in First Nation people (then known as the Spallumcheen Band) and other members of our community as they worked together and learned to understand one another a little more during some 18 months of planning and preparation. Co-written and co-directed by native and non-native artists, it was a catalyst to bridging diversity of culture, age and gender, and the beginning of the slow dialogue within our district after many years of unhappier co-existence. It dissolved many prejudices.

Despite its complexity, I believe only a very few outside professionals were involved in this community undertaking. Many of those who came day by day to paint a pair of boots, a face or a First Nations image were aboriginal people, being mentored and acquiring new skills as were all the other artists. The mural is the tangible evidence of this change in relationships, a sense of companionship which had not previously existed. It is already part of Enderby's history.

Enderby City Council on behalf of taxpayers contributed enthusiasm and in-kind costs of materials and labour involved in installation of the mural in November, 2002 (quantified as \$5,580), and in approx. 2006 removed some panels to re-install them on new timbers after the Enderby Arts Council had identified minor distortion problems. There were many donations of community goods, services and cash to the mural's creation, also grants obtained from further afield.

I would urge all Councillors to think long and hard before agreeing to dismantle this historic piece of art, arguably the most important in Enderby, especially in connection with "doing something special to celebrate Canada's 150th anniversary this year".

To separate the panels of this mural or to separate the whole from its explanatory panel, or to move it, would be an irreversible and impoverishing action which does not have to take place so soon after its erection. It is important that we nurture this mural a few years longer. It is not yet fading or falling into disrepair. Nor is this the place or time for personal dislike of a style of art to be part of any decision. Thank you,

Alyson Witts.

A handwritten signature in black ink, appearing to read "Alyson Witts". The signature is written in a cursive, flowing style and is positioned above a horizontal line that serves as a separator.

Agenda

THE CORPORATION OF THE CITY OF ENDERBY

MEMO

To: Tate Bengtson, CAO
From: Jennifer Bellamy, CFO
Date: February 27, 2017
Subject: Commission Meeting Pay

RECOMMENDATION

THAT Council approves the attached amended Council Remuneration Policy.

OR

THAT Council does not approve the attached amended Council Remuneration Policy.

BACKGROUND

At the February 23, 2017 Enderby & District Services Commission meeting, the Commission put forward a recommendation to Council to provide meeting pay remuneration of \$50 per meeting to members of the Commission.

Per the Service Extension and Commission Delegation Bylaw, remuneration for the Commission members is equal to the rates paid by the City to its Commission members. Per the current Council Remuneration Policy, no additional compensation is provided to Commission members. In order to provide meeting pay to the Commission members, this policy would need to be amended. Section 1(v) has been added to the attached policy to reflect the Commission's recommendation. The policy has also been updated to reflect 2017 remuneration and the addition of the annual technology allowance.

For comparative purposes, members of the White Valley Parks, Recreation and Culture Advisory Committee are provided with meeting pay of \$150 per meeting.

Respectfully submitted,


Jennifer Bellamy
Chief Financial Officer

Policy Title	Council Remuneration
Policy Number	P0100

<u>Effective Date:</u>	<u>Authorized By:</u>	<u>Replaces</u> Council Remuneration Policy adopted by Council February 16, 2009
------------------------	-----------------------	---

1) **Remuneration:** Remuneration for Mayor and Council member duties will be based on the following:

- i) Effective January 1, 2017, the Mayor shall receive annual remuneration of \$15,511.70 payable in monthly payments.
- ii) Effective January 1, 2017, members of Council shall receive annual remuneration of \$7,818.16 payable in monthly payments.
- iii) Remuneration provided in 1 (i) and (ii) shall be indexed in future years to the British Columbia consumer price index of the previous year.
- iv) One third of the remuneration provided in Sections 1 (i) and (ii) shall be considered as an allowance for expenses incidental to the discharge of the duties of elected office.
- v) Members of the Enderby & District Services Commission will be provided with meeting pay remuneration of \$50.00 per meeting.
- vi) In addition to the above allowance, each member of Mayor and Council will also be provided with an annual technology allowance of \$300.

2) **Per Diem:** In addition to the remuneration paid pursuant to Section 1, Council members shall be entitled to receive remuneration for the attendance at conventions, seminars and other meetings on behalf of Council as follows:

- i) Full day – event commencing before noon: \$120.00
- ii) Half day – event commencing after noon: \$ 60.00

MEMO

To: Mayor and Council
From: Tate Bengtson, CAO
Date: March 1, 2017
Subject: Tolko Forest Stewardship Plan Amendment Referral 2017

RECOMMENDATION

THAT Council identifies its comments, if any, for submission to Tolko Industries Ltd. with respect to *Forest Service Plan Cutblock and Road Development Information Sharing Package 2017-SI-05 for Tolko Southern Interior Woodlands*.

BACKGROUND

Below is an excerpt of a map from Tolko's *Forest Service Plan Cutblock and Road Development Information Sharing Package 2017-SI-05 for Tolko Southern Interior Woodlands*.

The map shows the Brash Creek community watershed (blue outline), which was the original water source for the community. That water source is not currently in use although the City maintains a water license on the stream. This watershed feeds into the Shuswap River, which is integral to the City's water supply.

The map shows one amended cutblock within the community watershed (pink outline and interior). Proposed roads are also shown (red dotted lines). Tolko has confirmed that the proposed roads are not necessarily going to be constructed in the near term, but rather they are shown for service to future cutblocks.

Tolko, as holder of a license to harvest timber, has a Forest Service Plan ("FSP") which is approved by the Minister. Tolko is required to be compliant with its FSP. The FSP includes a map and strategies to achieve the objectives set by government under the Forest Planning and Practices Regulation. The objectives relate to soils, timber, wildlife, riparian areas, community watersheds, biodiversity, visual impact, and cultural heritage resources. The FSP sets strategies with respect to soil disturbance limits, protecting habitat and biodiversity, protecting community watersheds, and so forth. The licensee must make the FSP and any amendments to it publicly available for review and comment, and must consider any comments relevant to the FSP prior to adoption or further amendment. The licensee submits to the Minister a copy of each written comment and a description of any changes made to the plan as a result of such comments.

In addition to enforcement and compliance monitoring by the Ministry of Forests, Lands, and Natural Resource Operations, Tolko is also subject to complaint and auditing procedures by the Forest Practices Board (a Cabinet-appointed board independent of any Ministry) and participates in the Okanagan Sustainable Forest Management Plan, a Canadian Standards Association-certified plan which requires annual monitoring and evaluation.

While Council is not obliged to provide comments regarding *Forest Service Plan Cutblock and Road Development Information Sharing Package 2017-SI-05 for Tolko Southern Interior Woodlands*, it may do so either in the form of general comments on the information provided thus far or it may request further information from Tolko prior to comment.

Respectfully submitted,

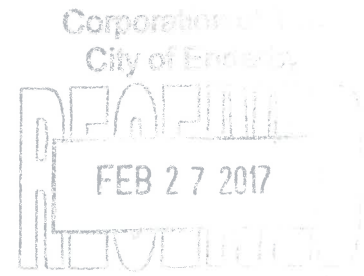


Tate Bengtson
Chief Administrative Officer

City of Enderby
619 Cliff Avenue
P.O. Box 400
Enderby, B.C. V0E 1V0

February 22, 2017

Attention: Tate Bengtson



**RE: Forest Stewardship Plan Cutblock and Road Development Information Sharing Package
2017-SI-05 for Tolko Southern Interior Woodlands, Lumby**

This letter is being sent to you as part of our information sharing referral process of our Forest Stewardship Plan (FSP). At this time we are adding new cutblocks and roads to our FSP. We request that you review the new cutblocks and roads that are within the Brash Creek Community Watershed for overlaps with any water related resources and contact us to discuss any such overlap(s). The Brash Creek Community Watershed boundaries and the new cutblocks and roads are shown on referral map 5 which has been posted to our internet webpage:

<http://tolko.com/responsibility/certification-stewardship/okanagan-woodlands>

New cutblocks are pink with a dark pink outline and new roads have a yellow highlight on top of a red dashed line. Community Watershed boundaries are shown on the maps as thick blue lines.

We encourage you to contact us if you have any inquiries regarding the new cutblocks and roads. Comments should be made to Tolko by April 24, 2017. After this date, we intend to proceed with development of these cutblocks and roads and to obtain Cutting Permit and Road Permit authorities.

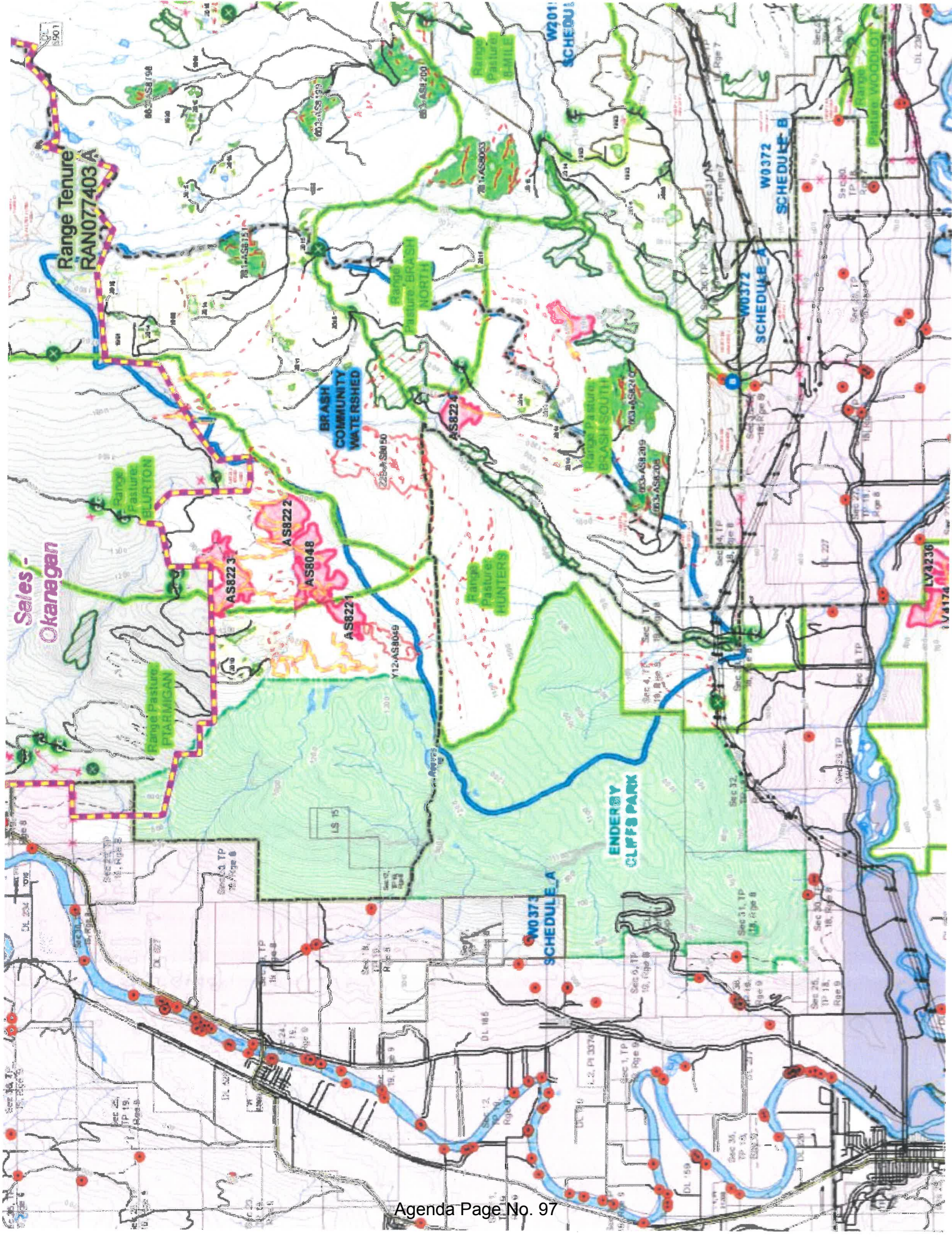
If you would like to discuss this referral package in person, please call me to coordinate a meeting. Comments may also be emailed or mailed directly to me as per the below contact information.

We appreciate your review and comments regarding the 2017-SI-05 referral package.

Yours Truly,

Tolko Industries Ltd.
Southern Interior Woodlands

Harold Waters, RPF
Operations Forester Planning – Southern Interior Woodlands
Harold.Waters@tolko.com
250-547-1246



THE CORPORATION OF THE CITY OF ENDERBY

MEMO

To: Tate Bengtson, Chief Administrative Officer
From: Kurt Inglis, Planner and Assistant Corporate Officer
Date: March 2, 2017
Subject: Our Enderby Clean-Up and Volunteer Fair

RECOMMENDATION

THAT Council endorses April 22, 2017 as the date for the 5th Annual Our Enderby Clean-Up Challenge;
AND THAT Council endorses integrating the Volunteer Fair into the Our Enderby Clean-Up Challenge's appreciation barbecue.

BACKGROUND

Since 2013, the City of Enderby has been hosting the annual Our Enderby Clean-Up Challenge which is a community event aimed at reducing local pollution, beautifying the community, and fostering a sense of community and civic pride. The clean-up event is followed by an appreciation barbecue at Belvidere Park, hosted by the Enderby & District Lions Club, where food and refreshments are provided to clean-up participants to celebrate their community contribution.

The event has historically been held on the third Saturday in April, however, this year that Saturday falls on the Easter long weekend. Given this, Staff are recommending that Council endorses April 22, 2017 as the date for the 5th Annual Our Enderby Clean-Up Challenge.

In 2016, the City of Enderby hosted a Volunteer Fair which provided local volunteer groups/organizations with an opportunity to connect with potential volunteers by answering questions, discussing opportunities, and distributing resources and literature; the event was very well attended with 15 local groups/organizations setting up booths to engage with potential volunteers. Following the event, a number of the volunteer groups/organizations stated that they would like to see the event hosted outdoors as they felt it would be help to draw in more potential volunteers to attend.

Given the above, Staff are recommending that Council endorses integrating the Volunteer Fair into the Our Enderby Clean-Up Challenge's appreciation barbecue; this would involve having the Volunteer Fair booths setup throughout Belvidere Park, which would allow the Clean-Up barbecue attendees to explore the different booths and engage with the volunteer groups/organizations as they eat their lunch. In addition to cutting down on the administrative time spent coordinating these two events,

Staff anticipate that integration will help to increase the efficacy of the Volunteer Fair in particular as it will directly inject a large number of known-volunteers directly into the fair.

Respectfully Submitted,



Kurt Inglis
Planner and Assistant Corporate Officer