

01/29/15
OVERVIEW:
MARIJUANA
BALLOT MEASURE
-
IMPLEMENTATION
&
ADMINISTRATION

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MARIJUANA BALLOT MEASURE - IMPLEMENTATION and
ADMINISTRATION</SUBJECT><COMM>SSTA29</COMM></TARGET>



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

ALCOHOLIC BEVERAGE CONTROL BOARD

Marijuana Implementation Overview for Senate State Affairs

ABC Director Cynthia A. Franklin

January 27, 2015



Definitions

Define all important terms at outset

Important terms in AS 17.38 that are not defined

- “Edibles”
- “Public”
- “Possession”

Definition that needs clarification

- “Marijuana” (specifically portion stating that an oil is not marijuana)



Edibles

Several elements are important to assure safe recreational use of edibles

- Serving size: 5 or 10 mg THC content
- Limit on total THC per package
- Childproof packaging (many good solutions have been identified)
- Prohibition of adulterated products
- Limitation of products appealing to kids
- Warning labels (suggestion: symbol for those who are non English reading, such as the no-puffin we commonly know)





Edibles

- Edibles are 40% of the market in Colorado
- Due to smoking prohibitions, edibles are likely to be the most commonly purchased product for tourist consumption





Hash Oil and Solvent Extraction

- Manufacturing processes need to be regulated as closed loop systems by licensees only
- All other solvent extractions should be prohibited
- Local governments, land-use rules and zoning restrictions are some ways to handle this



Labs

- Labs are essential to certify THC content for edible serving sizes
- CO advised to have labs up and running before edible licenses are issued
- Open question of where labs will come from, though we have heard there will be private interest from the industry as long as they are able to obtain state certification



Advertising and Education

- Reasonable advertising limits should be part of the rules
- Public education about rules and edibles is essential
- Colorado has offered to share its multi-million dollar

“Good to Know” Campaign

Check it out at: www.GoodToKnowColorado.com

Be educated. Be responsible.

- › It's illegal to purchase, possess or use marijuana if you're under 21.
- › It's illegal to use marijuana in public.
- › It's illegal to take marijuana out of state.
- › It's illegal to give or share marijuana with anyone under 21.
- › Protect youth from underage marijuana use. Keep it locked up, out of sight and out of reach.





Local Government Control

- AS 17.38.110 provides for local control of marijuana.
- Local options for alcohol exist in Title 4 and give us a starting place for MJ local options in Title 17.
- Local governments in CO issue their own licenses in addition to state licenses. This is something to consider for AK.



Banking

- CO MJ industry is under-banked, not unbanked
- Oregon's M-Bank just began accepting deposits from CO businesses
- Cash acceptance issues will need to be addressed



License Selection Process

- Merit-based selection is proving to be best method- Nevada has a good model
- Strict limitation on number of licenses encourages black market and lawsuits
- Market correction is already occurring in CO with grower businesses failing due to depressed market for harvest
- If only best applicants are licensed, limits on numbers may not be necessary



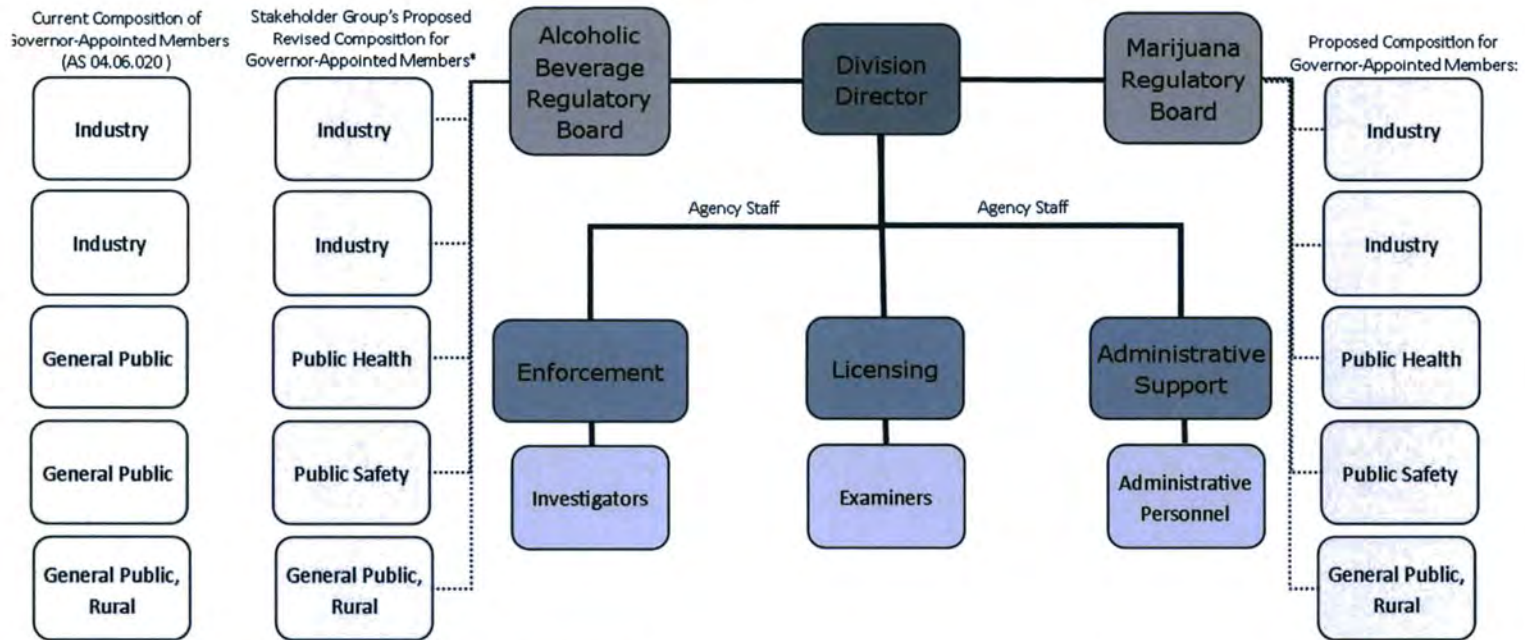
Board Structure

- The ABC Board is a five member volunteer board that meets 5 times per year to act on liquor license issues
- A similar Marijuana Control Board that shares current ABC agency director and staff could utilize the experience, minimize additional staffing, and enforce licensing rules on both substances
- Existing ABC agency staff (licensing, enforcement and administrative personnel) are experienced in licensing and enforcing rules around liquor licenses



Board Structure

Proposed Organizational Structure: Alcoholic Beverage Control Board with new marijuana responsibilities



* if the ABC Board director, considered a non-voting member of the board, has the same background as any of the sectors listed above (with the exception of general public, rural), the corresponding seat would become a general public member



Questions?

Recreational Marijuana and Health

Jay C. Butler, MD

Chief Medical Officer

Dept. of Health and Social Services

Short-Term Effects of Marijuana Use on Health

- Impaired short-term memory
- Temporary loss of coordination
 - Increase in motor vehicle accident risk when driving soon after using
 - THC levels of 2 to 5 ng/mL associated with impaired driving skills
- Altered judgment
- At high doses
 - Stimulation: agitation, paranoia, psychosis
 - Followed by sedation: can lead to respiratory insufficiency in children
 - No specific antidote for marijuana toxicity

Volkow ND, et al. *N Engl J Med* 2014; 370:2219-27

Hurley W, Mazor S. *JAMA Pediatr* 2013; 167:602-3

Long-Term Effects of Marijuana Use on Health

- Risk of addiction:
 - ~1 in 10 who use marijuana will become addicted
 - Risk increases with
 - Earlier age of initiation
 - Daily use (25% to 50%)
 - Cannabis withdrawal syndrome: craving, irritability, sleep difficulties, anxiety, and depression
- Regular use during adolescence associated with
 - Altered brain development
 - Poorer educational outcome
 - Cognitive impairment, lower IQ scores
 - Diminished life satisfaction

Long-Term Effects of Marijuana Use on Health

- Association with use of other substances
- Psychiatric symptoms
 - Associated with anxiety and depression
 - Unmasking of schizophrenia (genetic predisposition)
- Increased symptoms of chronic bronchitis in persons who regularly smoke marijuana

Effect on the Health System: Experience in Colorado

- Increased admissions to burn center
 - Butane used as solvent to extract THC
- Cyclic vomiting syndrome/marijuana hyperemesis syndrome
 - Associated with frequent use of high THC products
 - Abdominal pain, sweating, severe vomiting
- THC intoxication from edible products
 - 10-30 mg THC for intoxication
 - THC blood levels begin to rise ~30 minutes after consumption, peak at ~3 hours, and are cleared ~12 after ingestion

Effect on the Health Care System: ED Visits for Ingestions, Children <12 Years Old, Denver, 2005-2011

Characteristic	January 1, 2005, Through September 30, 2009	October 1, 2009, Through December 31, 2011 *
No. of patients	790	588
Age, median (IQR), y	2.6 (1.6-3.0)	2.3 (1.5-3.6)
Male sex	449 (56.8)	334 (56.8)
Types of ingestions		
Acetaminophen	90 (11.3)	48 (8.2)
Antihistamine	43 (5.4)	32 (5.4)
Antidepressant	23 (2.9)	14 (2.3)
Antitussive	18 (2.2)	14 (2.3)
Marijuana exposures	0	14 (2.3)

* Medical marijuana laws changed Oct 2009; recreational use legalization Nov. 2012

Many Caveats and Poorly Understood Issues

- Association does not prove causation
- Health effects may take years to manifest
- Effects of prenatal exposure on brain development
- Cancer risk: confounded by high rates of concurrent tobacco use
- Risk of heart attack and stroke
- Opportunities for effective public health education to reduce the health risks
- Second hand marijuana smoke exposure
- E-cigarettes (vaping)
- “Re-normalization” of smoking

Health Effects of Legalization

- Very little is known
- Depends on legalization's effects on:
 - Prevalence of use and age-specific prevalence of use
 - Frequency and duration of use
 - Modalities of use
 - Regulation, taxation, market forces



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

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Veterans Affairs

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January 29, 2015

TO: Senator Bill Stoltze
Chairman, Alaska State Senate State Affairs Committee

FROM: BG Mike Bridges 
Acting Commissioner & TAG

SUBJECT: Marijuana Legalization & the Military

The legalization of marijuana in Alaska raises several issues pertaining to the military and the Alaska National Guard. While marijuana is soon to be legal in Alaska, the Federal prohibitions on the use of marijuana for Active Duty and Alaska National Guard service members and civilian employees remain.

The Alaska National Guard maintains that the use of illicit drugs, to include marijuana, is inconsistent with Army and Air Force Values, the Warrior Ethos, and the standards of performance, discipline, and readiness necessary to accomplish the Alaska National Guard mission.

Service members who test positive for Marijuana (THC) will be evaluated for dependency, disciplined, as appropriate, and processed for separation. Further, the standard punishment for an active duty service member who tests positive for marijuana is immediate separation from the military.

DoD civilian federal employees are also subject to restrictions governing drug use contained in DoD instruction 1010.09 and applicable Department of Health and Human Services, Substance Abuse and Mental Health Services Administration Guidelines.

The legalization of marijuana in Alaska will also likely have a negative effect on the ability of Military and National Guard recruiters to carry out their mission. Currently, only 25% of the recruitment-age population of the United States is even eligible for military service. While the intermittent use of marijuana is not an immediate disqualifier for enlistment, regular use of marijuana is a disqualifier for enlistment. These standards apply for both Active Duty and National Guard service.

If you have any further questions regarding the impact of the legalization of marijuana on the military and the Alaska National Guard, please contact Jakob Johnsen, the DMVA legislative liaison, at 907.465.6378 or Jakob.johnsen@alaska.gov



ASSOCIATED GENERAL CONTRACTORS of ALASKA

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January 27, 2015

Senator Bill Stoltze
Chair, Senate State Affairs Committee
State Capitol, Room 125
Juneau AK, 9980

Dear ~~Senator Stoltze~~, *Bill*

The Associated General Contractors of Alaska (AGC) is a trade association representing over 640 Alaskan businesses in the construction industry. Our industry prides itself on a strong safety culture, but construction is a labor intensive industry, and with the human element, accidents will happen. Substance abuse (not just marijuana) can result in poor concentration and carelessness, leading to serious accidents and fatalities.

In 2006, AGC of Alaska and the Alaska building trade unions established the Alaska Construction Industry Substance Abuse Program (AKCISAP), also known as "AK Clean Card." The AK Clean Card program provides a drug and alcohol testing program for the construction industry in Alaska that results in efficiencies and economy for both contractors and their workers. We drug test – you fail the test, you lose your job.

The construction industry has made tremendous progress in reducing workplace injuries and has made safety an important part of workplace culture. A large part of that progress has been the zero tolerance policy for substance use that most companies endorse. The Alaska Construction Academies have also adopted a zero tolerance policy by requiring drug testing in order to participate in any of the adult programs.

Despite marijuana being legal for recreational use, it does not change drug policies in the workplace. In our industry, employers are free to prohibit marijuana use outside of the workplace, test for use and take necessary disciplinary action.

Sincerely,

John MacKinnon, Executive Director
Associated General Contractors of Alaska



Coalition for Responsible Cannabis Legislation

Marijuana Products, Extracts, Derivatives, and Regulations (Overview and recommendations)

Prepared by: CRCL Board Members

January 28 2015



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Preface

The purpose of this document is to clarify some of the terms, products, and processes related to the Marijuana Industry. Included are some suggested solutions to some of the more controversial issues that have been raised during public dialogue on these matters. These recommendations are not intended to be comprehensive but, rather, to serve as a reference for further discussion through the regulatory process. Some of the topics included may appear esoteric or insignificant but have been included to serve as background or reference for specific issues.

Introduction

The Coalition for Responsible Cannabis Legislation (CRCL) was founded in 2013 for the express purpose of promoting a legal, regulated Marijuana industry in Alaska and to assist in the development of rules and guidelines that will allow that industry to thrive as a responsible Alaska-based industry. With over 1,000 members statewide, CRCL brings to the table a comprehensive industry-perspective on Marijuana Business, products, and the regulatory process.

Throughout this document, it is assumed that one of the major goals to be realized with implementation of 13PSUM is to allow and encourage existing black-market operators to grow, process, and sell marijuana in a regulated, legitimate market. We believe that success in this one area will yield multiple benefits including: Reduced availability to youth, reduced work/cost for law-enforcement, new jobs statewide, and tax income sufficient to administer a marijuana control board with associated infrastructure and to fund informational programs to educate segments of the population on the responsible consumption of marijuana products. Another goal, is to make retail stores available to medicinal marijuana consumers who currently have no legal way of purchasing those products.

State of the (Black Market) Industry

Exact numbers are difficult to estimate but, by some accounts, roughly 100,000-120,000 Alaskans currently consume Marijuana on a semi-regular basis. If we assume (conservatively) an average, annual consumption of 2 ounces per consumer, then the current market may entail roughly 200,000-240,000 ounces annually (approximately 12,500-15,000 pounds). These numbers are estimates only, the current market may easily be 20-30% greater than suggested.

Due to logistics of transportation, most of the Marijuana consumed in Alaska is produced here as well. Black-market growers may produce only a few dozen plants at a time or may be as large as 1,000-2,000 plants. This range of producers is significant to the regulatory process because, in order to encourage those operators to adopt a legitimate business model, it is imperative to provide an entry-point into the industry for businesses of various sizes.



The Cannabis Plant

Chemical Properties

Cannabis plants produce two chemical compounds of significance: Tetrahydrocannabinol (THC) is the psychoactive component that may produce feelings of euphoria, relaxation, or increased appetite. The other cannabinoid of note is Cannabidiol (CBD) which is often sought for pain management or the control of seizures.

Different strains of the plant contain varying proportions of THC and CBD and some strains have been developed for greater production of one or the other. A notable example of such breeding is a strain called "Charlottes Web" which was bred to have relatively low levels of THC but much higher levels of CBD. This strain was specifically developed for its medicinal properties and has been used to control seizures in patients for whom other, powerful narcotics have been problematic. This strain was named in honor of a young girl named Charlotte whose seizures have been successfully controlled through the use of high-CBD cannabis extracts and tinctures.

Components of the Cannabis plant

Flowers: The tops of plant stalks containing the most potent concentrations of THC and CBD. Typically dried, cured and sold for consumption or processed to extract concentrates.

Trichomes: Small (75-150 micron) mushroom-shaped glands on the surface of the flower and upper leaves that contain the highest concentration of THC and CBD. Often extracted through different processes to produce concentrates largely free of organic (leaf) material. Trichomes, in various concentrations, form the most sought-after parts of flowers, hash, and hashoil, as well as other derivative products.

Fan Leaves: Larger leaves - typically on the lower portion of the plant. They were once sold as a consumable product but are now either discarded in favor of the flowers, or processed in closed-loop extractors to distill resins within for use in creating edible products.

Sugar Leaves: Smaller leaves, typically found at the ends of branches and stalks (nearest the flowers). So named for the accumulation of trichomes on the leaves which gives them a sugar-frosted appearance.

Trim: A general term applied to leftover flower and leaf material that is typically processed to produce kief, hash, hashoil, or infusions.

Stalks: Stalks and stems are of little value to the Medicinal or Recreational Marijuana market but may be sold to a secondary hemp industry for further processing.



Strains of Cannabis

There are three major species of the Cannabis genus:

- 1) Cannabis Sativa
- 2) Cannabis Indica
- 3) Cannabis Ruderalis

There are differences between the Sativa and Indica species that result in slightly different effects when consumed, however those differences are not considered pertinent to a regulatory discussion. Most contemporary strains are some hybrid mix of the two species.

Cannabis Ruderalis is notable because it flowers after a given period of time – not in response to the length of the day. This is significant because, considering Alaska's peak daylight hours, relative to the typical rainy season, this species may be best for outdoor growing during our fairly short growing season.

Cannabis Flowers

Most cannabis products are derived, directly or indirectly, from the flower of the female plant. The male plants produce few desirable compounds and, except in breeding and research programs, are typically destroyed as soon as they are identified as being male. The female plants continue to develop but are never fertilized by the males. The unfertilized female flowers grow larger, develop more trichomes and are more potent. These unfertilized plants are known as "Sinsemilla" plants (from the Spanish "Sin semilla" – meaning "without seeds").

Potency of contemporary strains and derivative products

Much has been made of the potency of certain strains as compared to those available 20-30 years ago. It is true that the average marijuana product available today is relatively higher in THC content but one could argue that this is more a function of the market than anything else. Discriminating consumers have become accustomed to a better product, to the point that portions of the plant are now thrown away or processed for use in edibles simply because no one is willing to buy them anymore when higher-quality flowers and concentrates are available.

It is tempting to treat concentrated forms of marijuana differently than the raw flowers or leaves, but to do so assumes a difference in the products that does not exist.

To make an analogy to alcohol, some consumers prefer beer, others prefer whiskey but they adjust their consumption accordingly to reflect the different potency of the products. Likewise, in the marijuana industry, some consumers prefer the flowers, others prefer more concentrated products (hash, hashoil, etc.) and they adjust their consumption accordingly.

This simple fact is, perhaps, one of the least understood aspects of the current discussion.



Derivative Products

Flower

The mature flower of the female cannabis plant (sometimes referred to as "Buds"). Traditionally, both the leaves and flowers of the cannabis plant were commonly consumed, most often by smoking. Though still fairly popular, flowers have given way to concentrates and edibles, and even the smoking of flowers and oils has evolved markedly over the past 20 years.

Concentrates

This section is intended to bring some clarity to the discussion on marijuana extracts/concentrates and to offer some suggestions on how they may be properly managed / regulated. It is important to note that concentrates – of one form or another – along, with edibles, now comprise as much as 50% of the market in some areas. Therefore, while simply banning such derivative products may seem desirable, doing so would virtually guarantee the perpetuation of a significant black-market industry for the foreseeable future.

Keif

Keif (or Kif) refers to the resin-filled trichomes from the flower separated from the rest of the plant using various mechanical or thermal processes (freezing the material allows the trichomes to be shaken loose and gathered). In agricultural terms, it is similar to separating wheat from chaff. The collected trichomes resemble coarse sand with a light tan or greenish tint.

Chemically, it is very similar to the flowers of the plant, lacking only the organic leaf and reproductive elements of the flower.

The resulting concentrate may be smoked or eaten by itself, added to a small amount of flower, or used in other processes to create oils or edible products. Current processes do not involve high-pressure equipment or volatile compounds of any kind – relying instead on the use of dry-ice or ice-baths to freeze the trichomes so they can be sifted from the rest of the plant material and collected.

Hash

Hash, or Hashish is merely Keif (the collected trichomes from the cannabis flower) pressed into a small block of solid material. Like Keif, Hash is chemically similar to the flowers of the plant but having had most of the organic material removed by sifting.



Hashoil

Hashoil is a liquid concentrate derived from the trichomes and other plant material. This oil extract is what remains when the cellular trichomes are stripped of the resins within. Still considered a raw product of the plant, the oil is typically extracted by exposing the plant material to pressurized CO₂ or another solvent to rinse out the resin, and then evaporating the solvent. What remains is a dark, lightly viscous oil. Done properly, the final product has little to no residual solvent and resembles a concentrated oil with a relatively high ratio of THC / CBD by weight.

Hashoil has grown in popularity over the past 30 years and is now the preferred product for many recreational and medicinal consumers – representing a significant portion of the market in some areas. Hashoil can be consumed directly using pipes or vaporizers, or used to create edible products or tinctures (the last being very common amongst medical consumers).

In commercial settings, hashoil is typically derived using closed-loop extraction systems employing pressurized CO₂ or other gases as a solvent. This process is very similar to that used to extract Lavender oils, Vanilla extract, and other familiar oils and extracts. In a controlled environment, with trained personnel and suitable equipment, this is a safe and very common industrial process. The International Building Codes (IBC) already provides design guidelines for facilities using such equipment and processes.

Tinctures

Tinctures are a diluted form of hashoil mixed with alcohol or glycerin and are a preferred method of consumption for some medical consumers.

Infusions

The leaves or concentrates (hashoil or hash) may be used to infuse THC in a solvent - this can include cocoa butter, dairy butter, cooking oil, glycerin, and skin moisturizers – which are then used in cannabis foods (edibles) or applied topically.



Methods of Consumption

Smoking

The most recognized and stereotypical method of marijuana consumption is smoking, with a pipe or paper-wrapped "joint". While this does produce some residual (second-hand) smoke it is typically not in the volumes associated with cigarette smoke because the amount of material burned is relatively small compared to that burned by a cigarette smoker. This method of consumption is also on the decline.

Vaporizer

Vaporizers are a growing method of marijuana consumption. Some devices function similarly to e-cigarettes where a small amount of oil or flower is vaporized within the device with a heating element – and only when triggered by the consumer. The result is a more concentrated vapor with very little residual smoke or vapor.

Cannabis Tea

Produced by adding a saturated fat (cream or milk) to hot water with a small amount of infused THC.

Edibles

This covers a broad range of products including chocolates and other confections, beverages, and baked goods (ie: cookies, bread, or the ubiquitous brownie). Many consumers prefer edible products above all other forms of consumption. Many medical consumers can only consume marijuana in edible form.

It is important to note, for regulatory purposes, that the total weight of an edible product is made up by the confection or product itself – not the concentrate used to introduce THC into the recipe,



Regulatory considerations / recommendations

Concentrates

Hash

Hash is similar in chemistry and effect to the raw flowers of the plant. Consumers often prefer hash because it lacks the organic material (leaf) of the flower. Hash production does not typically involve the use of solvents or other volatile compounds. Therefore, there is little value or need to regulate hash differently than the flowers themselves.

Hashoil

The regulatory challenge with hashoil is that, in the absence of retail stores selling a quality, tested product at a reasonable price, some consumers have taken to home-extraction using butane – and sometimes in less-than-ideal settings. Butane, like any volatile gas, can be ignited by an open flame or electrical ignition source. This has given rise to home fires and some explosions.

The concern with "butane-hashoil" is a valid one but it's important to make the distinction between the product (hashoil) which is not volatile, and the home-process of extraction using butane (which can be hazardous). To be clear hashoil, itself, is not volatile although the solvent used to extract hashoil can be in an uncontrolled environment.

Home-extraction is time-consuming, expensive, potentially hazardous, and often yields an inferior extract. The solution, in our view, is to ensure that a viable, regulated industry exists to produce this extract in a safe and economical manner so that consumers no longer have an incentive to attempt their own extraction.

We believe that such an approach would do far more to discourage the dangerous process of Butane-Hashoil production than any form of legislation could hope to.



Marketing

We agree that reasonable guidelines for marketing of marijuana products are appropriate.

However, we believe that such guidelines should not be so onerous as to make all marketing impossible. We agree that advertising that targets, or is openly visible to, underage individuals is undesirable. However, we believe that in-store advertising, web-based ads, and demographic-targeted online ads (21 and over through Facebook, for example) are a reasonable balance between public welfare and First Amendment rights.

Packaging

We agree that marijuana products should not be packaged or marketed to be enticing or attractive to children and that they should not be packaged to look, intentionally, like a familiar child-safe product.

Child-resistant packaging

It's useful to point out that, for decades, prescription drugs – including powerful opiates, barbiturates, and others – have been sold to consumers and packaged in child-resistant bottles with lids that require a modest degree of strength or dexterity to open. Many of these compounds can be immediately fatal or damaging if ingested by a child – yet the standard of protection (at least in the packaging) is clearly established.

Although marijuana products are not potentially lethal, we propose that a similar child-resistant packaging be required at the point of sale. Where a product cannot readily fit into available safety-lid bottles, an acceptable alternative might be a re-sealable pouch with a special zipper. Several such products are manufactured and are being used in Colorado. Consumers might elect to purchase one at the time of sale or re-use one from a previous transaction.

Serving Size

We agree that a standard "serving size" should be established as a guide for consumers buying edible products. Such a measure has proven both necessary and effective in other states as an appropriate consumer protection.

A likely concentration would be in the range of 5-20mg THC per serving with a recommended maximum of 4-6 servings per package (depending on the nature of the product). Products that cannot be readily re-sealed (such as a single cookie or beverage) might best be limited to a single "serving".



Labeling

We agree that marijuana and its' derivative products should have some basic labeling requirements to include:

- 1) THC content (by percentage)
- 2) Number of servings (when appropriate – typically for edibles)
- 3) A warning that the contents contain marijuana or marijuana derivatives

Public / Private Space (definition)

Some local lawmakers have expressed concern over the distinction between Public versus Private consumption of marijuana. We recognize that Public consumption is unlawful under the provisions of 13PSUM, however there remains the definition of what is Public Space.

There are two specific examples that can be drawn from the consumption of alcohol and tobacco:

- 1) Bar and restaurant owners currently have the option of allowing their patrons to smoke cigarettes in designated areas (sometimes outdoor decks or patios). Since those properties are owned by or under the legal control of the business, it is effectively Private property and we believe they should be allowed to determine for themselves if marijuana may be consumed on the premises.

Note: In light of the proposed statewide ban on smoking we suggest that the use of e-cigarettes and vaporizers for marijuana be exempted from such a ban.

- 2) Special events such as the Beer and Barleywine Festival in Anchorage (and other such events around the state) are able to serve or allow the consumption of alcohol within designated areas during the event. We propose that similar events – specific to the marijuana industry – should also be allowed to designate areas for consumption / sampling on the premises and during the specific hours of the event assuming that the activity is consistent with other state or local laws pertaining to smoking of cigarettes or the use of e-cigarettes or vaporizers.

Some businesses may develop around the model of a coffee shop that serves marijuana products. Some of these may even provide designated areas for consumption. We suggest that the statewide rules should allow for such businesses – pending local approval.



Licensing of Businesses

We recognize that Public Health and Welfare are the primary goals of the licensing process, however we believe that market forces of supply and demand should ultimately be allowed to determine the success or failure of individual businesses. That said, we believe that an effective licensing process can address both of these goals.

Types of Licenses and Associated fees

Ballot Measure 2 articulated four general categories of license (Grower / Processor / Lab / Retailer).

We recommend that the License for Grower / Producer be expanded into a tiered system as follows:

- Tier 1 - Fewer than 100 plants
- Tier 2 - Over 100 but fewer than 2,500 plants
- Tier 3 - Over 2,500 plants

We further recommend that the initial application and license fees be kept as low as possible for Tiers 1 & 2 in order to encourage existing black-market growers to transition. We believe the lower fees would be justified since these smaller operators should require less administrative time to evaluate and process. We propose that the Tier 1&2 licenses be made available earliest with the Tier 3 permits made available 4-6 months later.

This approach would give smaller operators time to become established before opening the market to larger groups that might otherwise dominate the market. This could effectively dull the effect of "Big Marijuana" taking over the Alaska market as some have suggested.

Qualifications for Licensure

We believe that the most effective way of evaluating applications would be a weighted, merit-based system whereby applicants can be evaluated on their likely ability to meet the regulatory requirements and operate a viable business. A weighted system would also allow applicants weak in one area but stronger in others to compete for available licenses.

Residency Requirements

We recommend that qualifications for those with controlling interest in a marijuana business be predicated on the same criteria as those used for the Permanent Fund Dividend – Alaska resident with a prior period of residency.



Background Checks

We agree that background checks should be conducted for individuals who would have controlling interest in a marijuana business. However, we would suggest that prior convictions for non-violent or marijuana-related offenses not be the sole grounds for license denial. The rationale here is that individuals with a felony conviction for growing marijuana may have served their time and / or parole but could still have a difficult time getting a high-paying job. That same individual might well find a high-paying career as a master-grower with a marijuana business and that could help them to get re-established in society and to provide for their families in a productive manner.

Application Process

We are adamantly opposed to a "Lottery-Style" system of licensing. Such a system could have the effect of granting licenses to individuals or groups who may not be committed or prepared to engage in this industry while denying licenses to others who are prepared to operate effectively in a regulated environment.

Rulemaking Board

It remains the position of CRCL that a dedicated Marijuana Control Board is the ideal body for working out the details of Marijuana Regulations. While we agree that Marijuana can be regulated "like" alcohol, the two products – and their associated industries – are sufficiently different that a separate board should be assigned the task of working out the regulatory details. In particular, we believe that such a board should include representatives of the Marijuana Industry and should not include members of the alcohol industry as that could result in a conflict of interest on the board.

That said, we recognize the current constraints of both time and budget and we believe that a suitable compromise would be a hybrid-board, housed within the ABC, guided by the current director (Cynthia Franklin) and utilizing existing resources of staff and office space but composed of individuals whose sole focus is Marijuana Regulations.



Rulemaking process

CRCL is aware that some individuals or groups opposed to this initiative may be attempting to delay the process indefinitely, or at least until the Legislature can repeal the law in February of 2017. Naturally, we are opposed to such a strategy.

We believe that given time to develop properly, this new industry can operate in a responsible manner and offer the Legislature every reason to *not* repeal this law in 2017. In order to do that, it is imperative that the rulemaking schedule be adhered to so that there will sufficient data available to the public and the Legislature during the 2017 session to support the continuation of a legal, regulated marijuana industry.

The rulemaking schedule defined in 13PSUM is aggressive but we believe it is achievable provided that the following conditions exist:

- 1) A rulemaking body is identified quickly and granted the authority to proceed with the rulemaking process.
- 2) The individuals assigned to the rulemaking board and any associated sub-committees are committed to the successful execution of this voter initiative.
- 3) No extraneous actions are taken that would intentionally or unnecessarily delay implementation or negate key aspects of the new law.

Daniel George

Subject: Use of the word "Salt" in 13PSUM

From: Bruce Schulte
Sent: Tuesday, January 27, 2015 3:09 PM
To: Oren Brown
Cc: Daniel George
Subject: Use of the word "Salt" in 13PSUM

Good afternoon Oren,

My apologies for the delay, I had to do some research into this issue.

No one in our organization was able to figure out any context in which the term "Salt" would apply to the marijuana industry. In fact, in discussion, we recognized the unfortunate association with the term "Bath Salts" - referring to a class of synthetic compounds with a very bad reputation and something that we absolutely do ***NOT*** endorse or support or want anything to do with.

In researching it's inclusion in the initiative, I discovered that the text was taken, word-for-word, from the Federal law banning marijuana (and referencing other drugs). I can see why that seemed appropriate although, in the case of this one word, I would have to concede that it should not have been included, simply because it has no particular meaning in this context.

Therefore, if the drafters of the initiative have no objection, CRCL would not object to simply dropping this one word from the discussion. In fact, though probably not necessary, we would defend omitting this word from the law as a totally appropriate grammatical correction that would have no material effect on the law.

Please let Senators Stoltze and Coghill know that we appreciate them bringing this to light and we look forward to working with them on this issue in the future.

Regards,

Bruce Schulte
Coalition for Responsible Cannabis Legislation



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Bulletin No. 24 December 23, 2014

Toxicology Findings Associated with Violent Deaths — Alaska, 2003–2012

Background

Established in 2003, the Alaska Violent Death Reporting System (AKVDRS) is an active surveillance system that supports development, implementation, and evaluation of programs and policies designed to reduce and prevent violent deaths and injuries.¹ CDC funds 31 states to collect detailed violent death risk factor information that compiles the National Violent Death Reporting System (NVDRS). The NVDRS case definition for violent deaths encompasses deaths resulting from intentional self-harm or harm to another, legal intervention, unintentional firearm deaths, and deaths from an undetermined cause.² This *Bulletin* summarizes toxicology findings from AKVDRS during 2003–2012.

Methods

AKVDRS data obtained during 2003–2012 were collected from state and military medical examiner reports and hospital records, and were reviewed for toxicology findings related to substances of abuse. The data were divided into two 5-year subsets. Positive toxicology findings were analyzed by toxicology variables (substance category) and the decedent's assigned manner of death. Percentages were calculated using the number of decedents tested as the denominator in each category. AKVDRS data were then compared with national estimates, as reported by NVDRS.³

Results

During 2003–2012, 2,327 violent deaths were identified. Analyses for alcohol and other frequently abused drugs were conducted on clinical samples obtained from 1,280 (55%) of the decedents (Table). At least one positive toxicology result was found in 66% (841/1,280) of decedents tested; of whom, 46% (n=389) died from self-harm, 32% (n=273) died from homicide or legal intervention, 19% (n=160) died from an undetermined intent, and 2% (n=19) died from an unintentional firearm injury. Demographic characteristics of these 841 decedents are as follows: 615 (73%) were male; 44 (5%) were aged ≤ 17 years, and 795 (95%) were aged ≥ 18 years; 469 (56%) were White, 258 (31%) were Alaska Native, 36 (4%) were Black, and 78 (9%) were other/unknown.

As was true during 2003–2007, during 2008–2012, the most common positive toxicologic finding among decedents was alcohol (46%), followed by marijuana (23%), and opiates (15%; Table). Differences in positivity rates by substance during the two time periods were small overall (Table).

A comparison of AKVDRS to NVDRS data indicated that the percentage of decedents with a blood alcohol concentration (BAC) ≥ 0.08 g/dL or who used marijuana prior to death were substantially higher among Alaska decedents during 2008–2012 compared to all NVDRS decedents reported in 2010 (Table). While the proportion of decedents testing positive for

opiates (including heroin and prescription drugs such as oxycodone and hydrocodone) has increased in recent years, the proportion of Alaska decedents who used opiates just prior to death during 2008–2012 were substantially lower than for all NVDRS decedents in 2010.

Precipitating circumstances were identified for 774 (92%) of the 841 decedents with positive toxicology results, and included the following:

- 173 (22%) had a known intimate partner problem;
- 146 (19%) had a known mental health problem;
- 141 (18%) had a history of mental health treatment, of whom, 128 (91%) were currently in treatment;
- 105 (14%) had been diagnosed with depression or dysthymia;
- 102 (13%) had a known physical health problem; and
- 35 (5%) died due to homicide/legal intervention while another crime was in progress, including 22 (63%) that involved physical or sexual assault, 16 (46%) that involved robbery or burglary, and 5 (14%) that involved illicit drug trade (note: some of these deaths were associated with more than one of the aforementioned crimes).

Discussion

Alcohol remains by far the most commonly identified substance of abuse in Alaska violent death victims, followed by marijuana and opiates. Moreover, a much higher proportion of Alaska decedents who tested positive for alcohol were found to have a BAC ≥ 0.08 g/dL than U.S. decedents overall (82% vs. 63%, respectively); however, this could be due in part to detection bias, as a much lower proportion of Alaska decedents received a BAC test compared to U.S. decedents (52% vs. 70%, respectively). Finally, the proportion of Alaska violent death decedents with a positive opioid toxicologic finding increased from 11% to 15% over the two time-periods.

Recommendations

1. Medical examiners should routinely test violent death decedents for alcohol and other drugs of abuse and determine if toxins identified were intoxicating or lethal.
2. Health care providers should enroll in Prescription Drug Monitor Programs to reduce misuse, abuse, and diversion of opioids and other controlled substances.

References

1. CDC, Injury Center, National Violent Death Reporting System. Available at: <http://www.cdc.gov/violenceprevention/nvdrs/>
2. Section of Epidemiology. Summary of Violent Deaths Update — Alaska, 2007–2011. *Bulletin* No 2, January 14, 2013. Available at: http://www.epi.alaska.gov/bulletins/docs/b2013_02.pdf
3. CDC. Surveillance for Violent Deaths — National Violent Death Reporting System, 16 States, 2010. *MMWR* 2013;63(1):1–33. Available at: <http://www.cdc.gov/mmwr/pdf/ss/ss6301.pdf>

Table. Toxicology Findings Associated with Violent Deaths by Toxicology Variable — Alaska 2003–2012 and NVDRS 2010

Substance Tested	AKVDRS				NVDRS ³	
	2003–2007 (N=1,064)		2008–2012 (N=1,263)		2010 (N=16,186)	
	Tested # (%)	Positive # (%) [*]	Tested # (%)	Positive # (%) [*]	Tested # (%)	Positive # (%) [*]
Blood Alcohol Concentration (BAC)	587 (55%)	271 (46%) [*]	659 (52%)	305 (46%) [*]	11,295 (70%)	3,781 (34%)
BAC ≥ 0.08 g/dL	—	233/271 (86%) [†]	—	250/305 (82%) [†]	—	2,386/3,781 (63%) [†]
BAC positive, level unknown	—	0 (0%)	—	0 (0%)	—	163/3,781 (4%) [†]
Amphetamines	501 (47%)	23 (5%)	634 (50%)	43 (7%)	8,593 (53%)	348 (4%)
Cocaine	512 (48%)	57 (11%)	636 (50%)	37 (6%)	8,732 (54%)	678 (8%)
Marijuana	508 (48%)	123 (24%)	627 (50%)	145 (23%)	5,978 (37%)	908 (15%)
Opiates	511 (48%)	55 (11%)	633 (50%)	98 (15%)	8,731 (54%)	2,098 (24%)

^{*}Percentages based on number of decedents tested. [†]Percentage of BAC ≥ 0.08 g/dL based on number of decedents that tested positive for blood alcohol.

(Contributed by Deborah Hull-Jilly, MPH, and Scott Saxon, Injury Surveillance Program, Section of Epidemiology.)

Daniel George

From: Joey Crum <joey@nitalaska.com>
Sent: Thursday, January 29, 2015 4:19 PM
To: Sen. Bill Stoltze
Subject: DOT Drug Testing Information
Attachments: DOT Drug compliance policy.pdf

Good evening Senator Stoltze,

Thank you for the opportunity to provide public testimony about the Trucking Industry and Workforce Development issues regarding the legalization of marijuana. I was asked today about the DOT drug test and what levels it actually tests for.

Attached is a breakdown about the Drug Panel and what levels are being tested. I hope this helps, and if you would like more information I would be happy to provide it.

Thank you for your time.

Joey Crum JD, ASP

President & CEO

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APPENDIX F

DRUG PANEL

The following table lists the drugs tested for. Initial and confirmation cutoff concentrations are expressed in nanograms per milliliter (ng/mL).

Initial Test Analyte	Initial Test Cutoff Concentration	Confirmatory Test Analyte	Confirmatory Test Cutoff Concentration
Marijuana metabolites	50 ng/mL	THCA ¹	15 ng/mL
Cocaine metabolites	150 ng/mL	Benzoylcegonine	100 ng/mL
Opiate metabolites			
Codeine/Morphine ²	2000 ng/mL	Codeine	2000 ng/mL
		Morphine	2000 ng/mL
6-Acetylmorphine	10 ng/mL	6-Acetylmorphine	10 ng/mL
Phencyclidine	25 ng/mL	Phencyclidine	25 ng/mL
Amphetamines ³			
AMP/MAMP ⁴	500 ng/mL	Amphetamine	250 ng/mL
		Methamphetamine ⁵	250 ng/mL
MDMA ⁶	500 ng/mL	MDMA	250 ng/mL
		MDA ⁷	250 ng/mL
		MDEA ⁸	250 ng/mL
¹ Delta-9-tetrahydrocannabinol-9-carboxylic acid (THCA)			
² Morphine is the target analyte for codeine/morphine testing			
³ Either a single initial test kit or multiple initial test kits may be used provided the single test kit detects each target analyte independently at the specific cutoff			
⁴ Methamphetamine is the target analyte for amphetamine/methamphetamine testing			
⁵ To be reported positive for methamphetamine, a specimen must also contain amphetamine at a concentration equal to or greater than 100 ng/mL			
⁶ Methylenedioxymethamphetamine (MDMA)			
⁷ Methylenedioxyamphetamine (MDA)			
⁸ Methylenedioxyethylamphetamine (MDEA)			

On an initial drug test, a result below the cutoff concentration is a negative. If the result is at or above the cutoff concentration the lab must conduct a confirmation test.

On a confirmation drug test, a result below the cutoff concentration is a negative. If the result is at or above the cutoff concentration it is a "lab report" confirmed positive requiring an MRO review.

All specimens will undergo a validity test to determine if the specimen is consistent with normal human urine. The purpose of validity testing is to determine whether adulterants or foreign substances were added to the urine, if the urine was diluted, or if the specimen was substituted.



Alaska Mental Health Board

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ADVISORY BOARD ON ALCOHOLISM AND DRUG ABUSE
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January 29, 2015

Senator Bill Stoltze, Chairman
Senate State Affairs Committee
Alaska State Capitol, Room 125
Juneau, Alaska 99801

Re: Alaskans Seeking Treatment for Marijuana Abuse

Senator Stoltze,

During the January 27, 2015 meeting of the Senate State Affairs Committee, you asked how many Alaskans received treatment for substance use disorders related to marijuana use or abuse. That information is collected from publicly funded behavioral health treatment providers by the Division of Behavioral Health (Department of Health and Social Services) and provided to the Substance Abuse and Mental Health Services Administration (SAMHSA) as part of federal reporting requirements.

The Treatment Episode Data Set (TEDS) is maintained by SAMHSA. It includes records of treatment admissions nationwide. **Please note that this is admissions data and not an unduplicated count of individuals served each year.**

According to 2013 TEDS data,¹ there were 583 treatment admissions with marijuana as the primary substance of abuse. These admissions comprised 9.2% of all admissions in 2013. Of these admissions, 45.8% were for people under the age of 20. Also in 2013, there were 2,067 admissions for treatment for "alcohol with a secondary drug," which could include marijuana. These admissions accounted for 32.5% of all 2013 treatment admissions. The 2012 TEDS data² shows a similar trend in treatment admissions: 8.8% (542) of all admissions were for marijuana as the primary substance of abuse; 48% of marijuana admissions were for people under age 20.

While national data for 2013 is not yet available, 2012 TEDS data³ is. The national rate for admissions with marijuana as the primary substance of abuse is 17.5%. Of these treatment admissions, 43.3% were for people under the age of 20.

¹ Alaska Substance Abuse Treatment Admissions by Primary Substance of Abuse, According to Sex, Age Group, Race, and Ethnicity Year = 2013, Treatment Episode Data Set, SAMHSA (available at <http://www.dasis.samhsa.gov/webt/quicklink/AK13.htm>).

² Alaska Substance Abuse Treatment Admissions by Primary Substance of Abuse, According to Sex, Age Group, Race, and Ethnicity Year = 2012, Treatment Episode Data Set, SAMHSA (available at <http://www.dasis.samhsa.gov/webt/quicklink/AK12.htm>).

³ United States Substance Abuse Treatment Admissions by Primary Substance of Abuse, According to Sex, Age Group, Race, and Ethnicity Year = 2012, Treatment Episode Data Set, SAMHSA (available at <http://www.dasis.samhsa.gov/webt/quicklink/US12.htm>).

We hope this information is helpful to you and members of the Committee. If there is additional information the Advisory Board on Alcoholism and Drug Abuse or the Alaska Mental Health Board can provide, please let us know.

Sincerely,



J. Kate Burkhart
Executive Director

cc: Members, Senate State Affairs Committee
Members, Advisory Board on Alcoholism and Drug Abuse