



August 31, 2021

Dear Senators Booker, Schumer, and Wyden:

Thank you for the opportunity to provide comments on the 2021 Cannabis Administration and Opportunity Act (CAOA) discussion draft. We represent Parabola Center, a think tank of legal and drug policy experts who write laws and regulations that protect people, not corporate profits.

All three of us are people of color with deep connections to this work, and together we bring decades of experience and a strong network to public officials, academics, and grassroots activists involved in cannabis. We provide a practical and informed, justice-centered alternative to corporate voices.

Our recommendations address one request from the Sponsoring Offices to which our experience and interests are the most applicable and original: “Whether additional rules may be necessary to prevent uncompetitive practices, and the interactions with trade practice rules administered by other agencies, including the Federal Trade Commission.”

We commend your thoughtful work and your inclusive feedback process, and we welcome further discussion with you and your staff.

Sincerely,

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Introduction

Principles

These recommendations are crafted in light of a specific vision: the creation of a legal cannabis sector that lifts us out of a long history of systemic racial and economic oppression stemming from prohibition and into a fair, open, and competitive market founded on justice and restorative practices. Cannabis commerce should not be a new revenue machine, a tool to exploit users, or a free-for-all for corporate greed. Our recommendations envision a values-driven marketplace with room for all kinds of people and small businesses, entrepreneurs, and innovators.

Approach

We are enormously grateful for the Sponsoring Offices' attention to restorative justice, public health, and responsible regulations. No state or local jurisdiction has yet been able to successfully meet its own social justice goals, although many are making progress, and federal legislation could help.

However, in the context of responding to CAOAs, we have two concerns. The first is that existing state-legal markets are consolidating quickly. This threatens ongoing state equity work and public policy, which rely on a level playing field for small businesses and low-income communities. We are observing large current operators jockeying to dominate the market in various states and regions.¹

Our second concern is that the fragile and hard-fought progress toward social justice at the state level will be lost if CAOA were to go into effect as written. Sudden interstate commerce may bring oversized new entrants to the market, such as Big Tobacco, certain retail and online platform giants, and others that have demonstrated no sincere commitment – indeed, active hostility – to social and economic justice, public health, and workers' rights.

As the bill sponsors have rightfully put it, legalization isn't about making corporations richer or letting Big Tobacco and Big Alcohol take over – it's about protecting patients, customers, and small businesses and their employees. In this spirit, our proposed solutions apply existing practices and known methods in the

¹ A marijuana legalization bill considered in North Carolina this summer included a provision that would have created an unnecessary barrier requiring five years of experience with state-legal marijuana, which was clearly designed to exclude new entrants from the industry. It was removed from a later version, but only after passing a committee vote. (See <https://www.newsobserver.com/news/politics-government/article253708398.html>)

antitrust tradition to the new cannabis industry, creating a fair and level playing field on which state social equity programs and federal opportunity grant programs have the best possible chance of working as intended.

Our goal is to avoid irreversible market consolidation, and instead create a gradual approach to national legalization that favors an ecosystem of small businesses over a handful of excessively large ones. In short, our proposed changes to CAOAs allow regulating agencies to collect data, monitor states, and develop expertise. That knowledge and expertise should then be used to create fair and equitable rules for everyone – and in the meantime prevent the formation of corporate oligopolies in the cannabis sector and closely-related ancillary industries.

Foundational Sources

In July, President Biden issued [Executive Order 14036, “Promoting Competition in the American Economy,”](#) to address corporate consolidation, lack of competition, and higher prices. The order took decisive action and includes 72 initiatives across more than a dozen federal agencies to reduce those trends and increase competition for the benefit of workers, consumers, farmers, and small businesses.

Our recommendations draw heavily from the innovative measures in President Biden’s order, looking ahead and applying those measures to the national cannabis industry. Importantly, by providing initial restrictions on unfair competition and commercial bribery, the Sponsoring Offices offered an excellent framework upon which we sought to build.

Our understanding of the cannabis industry comes from firsthand experience with the state-regulated markets all over the country. Many of the ideas in these recommendations are based on five years of regulatory experience in Massachusetts, the first state to attempt to regulate legal marijuana in a way that positively impacts communities disproportionately harmed by prohibition. We also drew from interviews with regulators nationwide conducted for a forthcoming paper on antitrust theory and cannabis, to be published by The Ohio State University Moritz College of Law’s Drug Enforcement and Policy Center.

Lastly, our recommendations reflect a collaborative approach with our peers at Drug Policy Alliance, Cannabis Regulators of Color Coalition, National Organization for the Reform of Marijuana Laws, Students for Sensible Drug Policy, The United Food and Commercial Workers International Union, and others to ensure that our comments represent the values and goals of diverse constituencies.

Summary

The primary section of our recommendations concerns the cannabis market and licensing. We believe CAOAs's greatest missed opportunity is the omission of measures to incentivize state practices that promote a fair and equitable market, such as effective social equity programs. Specifically, we recommend using a mechanism similar to that proposed by Senator Booker's [Marijuana Justice Act](#) of 2019 to tie federal funds to defined justice benchmarks. We also recommend that Congress specifically authorize states to allow for the private cultivation of cannabis for personal use.

Second, we encourage amending CAOA to allow interstate commerce only gradually. The current, sudden approach would likely undermine state social equity programs and allow for excessive corporate consolidation by large national corporations. Instead, to support small businesses, the authorization for a state to enter the national market should require a clear plan to redress or prevent racial or economic disparities. We propose that CAOA adopt measures from existing rulemaking focused on racial justice to ensure that credit, banking, and state regulatory controls are implemented equitably.

Third, borrowing from existing restrictions on anticompetitive activity in both the alcohol industry and some state-legal cannabis markets, we recommend limitations on how much of the market any one actor can own or control. Vertical integration should be prohibited, mergers should be reviewed, and a permit application should be denied if an applicant has reached a predetermined limit. The limit should be based on a report of the market structure adopted from President Biden's executive order.

Fourth, and perhaps most importantly from a public health perspective, we join drug policy experts from across the political spectrum in strongly recommending that Big Tobacco companies be disqualified from participating in the cannabis industry. Some of these companies have a long and undeniable history of defrauding the public and causing devastating harm and millions of deaths. We are deeply concerned that they may already be designing a similar model for cannabis. Our recommendations provide specific draft language to disqualify companies based on past conduct of this type.

The fifth section of our recommendations concern data collection and competency building. We suggest expanding data collection to better understand industry ownership and control for the purpose of economic regulation, namely to measure the effectiveness of social equity programs and to minimize the use of loopholes, shell companies, and sham transactions to hide ownership. We also recommend tracking

data on companies that provide ancillary services to the cannabis sector, especially technology companies, which present a unique threat from an antitrust perspective.

Finally, with the understanding that antitrust laws are only as effective as their enforcement, we recommend creating a Cannabis Equitable Access Authority, led jointly by the Department of Justice Antitrust Division, the Federal Trade Commission (FTC), and the Treasury, with substantial investigative and enforcement powers. Based on our experience at the state level, we also suggest a formal, supported, and fully funded process to ensure federal regulators have the requisite time to study state programs and develop expertise and competence. Even the best policies cannot succeed without support for the regulators who are expected to implement and enforce them.

Recommendations

Market and Licensing Recommendations

1. Create incentives for states to license small or disadvantaged businesses and worker-owned cooperatives, and expressly authorize states to allow adults to grow marijuana plants for personal use.

We respect and appreciate that CAO A preserves the integrity of state cannabis laws. To accomplish its goals, the legislation must also incorporate mechanisms for regulators to analyze the effectiveness of different state innovations and to incentivize states to put effective measures into practice.

Specifically, we suggest adopting mechanisms similar to those proposed by Senator Booker’s Marijuana Justice Act of 2019, which would reduce federal funds directed to states that continue to disproportionately arrest or incarcerate people for marijuana offenses.²

Some of the grants created in Title III of CAO A should additionally be directed to states that effectively include small businesses or worker-owned cooperatives, and that reach racial justice benchmarks relative to marijuana sales and licensing. Programs should be designed to benefit communities historically most harmed by prohibition. Many state-level policies are already focused on these goals.

We also recommend an express statement in CAO A allowing states to set standards

² S. 597, Marijuana Justice Act of 2019.

for permissible home cultivation and repealing federal penalties for adults who grow cannabis for personal use.³ All federal penalties could be repealed for adults who cultivate up to 12 mature plants on private property, for example.

Allowing small-scale home cultivation promotes fair business practices by providing an incentive for firms to offer products that compete with homegrown cannabis on quality, price, and – importantly for medical patients – access to a wide array of cannabis types.

2. CAOA should expressly permit states to substantially restrict and control (including prohibiting) interstate commerce in cannabis, related to their state and equity goals.

This recommendation supports a gradual approach to interstate commerce, one that establishes a federal framework for fair competition. We believe a gradual approach is essential to reaching CAOAs goal of a level playing field for entrepreneurs of color, but states must support equity and an open marketplace as a condition of being allowed to regulate interstate commerce. **In fact, without additional measures to increase fair competition, pausing interstate commerce could create or further entrench state-level oligopolies. Linking interstate commerce to free, open, and equitable competition is key.**

We believe that a clearer expression of Congressional intent and a clearer statutory structure are necessary to protect state equity programs from excessive corporate consolidation and, importantly, to safeguard them from legal challenges that arise from Congressional silence or ambiguity regarding state authority after federal legalization.⁴ We recommend adding the following new subsections, the first of which is adapted from Professors Robert Mikos and Scott Bloomberg’s article “Legalization Without Disruption: Why Congress Should Let States Restrict Interstate Commerce in Marijuana”:

³ Parabola Center recommends defining immature marijuana plant as “a clone, seedling, or rooted plant that is no taller than eight inches and no wider than eight inches,” a definition adopted and modified from [H.511 \(2018\) \(Act 86\) of Vermont](#). Such a standard for home cultivation would be consistent with the ongoing process of de-stigmatizing the cultivation and responsible use of cannabis by adults.

⁴ Recent U.S. District Court decisions disfavor residency-based restrictions on the cannabis sector. These cases indicate that, absent a clear and express statement that Congress intends to suspend or substantially curtail reach of the Dormant Commerce Clause with regard to cannabis, courts will presume that state regulatory schemes that protect domestic cannabis industries against non-resident participants are most likely a form of improper state economic protectionism. We disagree with the reasoning of these cases but are concerned about the impact of federal legislation.

Insert in Section 111, States' Rights, a new subsection (a) (renumbering subsequent sections accordingly), to clarify legislative intent and give full force to that intent:

*(a)(1) Declaration of Policy. —Congress hereby declares that the continued regulation and taxation by the several States of the business of marijuana is in the public interest, and that silence on the part of the Congress shall not be construed to impose any barrier to the regulation or taxation of such business by the several States.*⁵

(a)(2) Retroactivity of Declaration of Policy. —Consistent with the prior assent of Congress to the growth of the lawful cannabis sector in the various States and the assent of Congress to the conduct of the Department of Justice consistent with the Cole Memorandum of August 29, 2013, the policy expressed in subsection (a)(1) shall be retroactive and shall be given full force and effect in any matter pending or that may be reopened in any Court of the United States that has original or appellate jurisdiction over the same matter and for which Congress's intent in allowing the various States to legalize and regulate business and commerce in marijuana prior to this Act is dispositive.

We further recommend adding the following new provisions to the current subsection (a), in order to give greater structure and clarity to the authority of states to control their relationship to interstate commerce as well as the purpose of that authority:

(a)(3) Authorization of States to Establish Residency-Based Restrictions, Controls, and Prohibitions. —Any State, territory, or district of the United States may impose such laws, regulations, and standards regarding ownership, control, licensing, investment, fees, taxes, cultivation, manufacture, transport, and any other manner of commerce closely related to cannabis that differentiate between residents of the State territory or district of the United States and entities and persons not resident, provided that such any such law, regulation, or standard, is predominantly and reasonably related to a state or local plan to redress or prevent racial or economic disparities related to prior cannabis prohibition, racial disparities in treatment by law enforcement, or racial disparities in access to housing, credit, employment, or public accommodations.

⁵ Mikos, Robert A. and Bloomberg, Scott, "Legalization Without Disruption: Why Congress Should Let States Restrict Interstate Commerce in Marijuana" (August 23, 2021), p. 44. Vanderbilt Law Research Paper No. 21-33, Available at SSRN: <https://ssrn.com/abstract=3909972>. Paragraph (a)(2) is of Parabola Center's design.

(a)(4) Other Provisions Not Affected. —No refusal or restriction of interstate commerce authorized under this Section shall deprive or relieve any State, territory, or district of the United States or Indian Tribe, or any resident or member thereof, of any right, opportunity, privilege, benefits, protection, obligation, duty, restriction, requirement, or penalty provided under this Act or any other federal law, except where clearly inconsistent with this Section.

Furthermore, to support a gradual transition to interstate commerce, we recommend strengthening equity in banking and finance regulation. In support of relevant programs and goals established by CAO A, we recommend instructing, in a manner consistent with Section 5(e) of Executive Order 14036, the Attorney General, in consultation with the Chairman of the Board of Governors of the Federal Reserve System, and the Secretary of the Treasury, to consider instituting a rulemaking to ensure that cannabis enterprises operating under state social equity programs, as well as ancillary businesses qualified as disadvantaged or minority-owned, have equitable access to credit and banking.

Additionally, we recommend that CAO A incorporate the [Federal Reserve Racial and Economic Equity Act](#) introduced in August 2020, which would require the Federal Reserve Board to carry out its duties in a manner that supports the elimination of racial and ethnic disparities in employment, income, wealth, and access to affordable credit; to report on disparities in labor force trends; and to report on plans and activities of the Board to minimize and eliminate such disparities.

3. Limit how much of the market any one person or entity may control, and enforce ownership limits. Review mergers based on evidence of predatory practices and anticompetitive tactics in state marijuana markets. Prohibit vertical integration.

We suggest instructing, in a manner similar to Section 5(c) of Executive Order 14036, that the Attorney General and the Chair of the FTC establish horizontal and vertical merger guidelines for the cannabis sector and initiate a rulemaking that substantially prohibits vertical integration in the cannabis sector. Congress should, as part of such a directive, expressly articulate a federal economic policy favoring an open and highly differentiated market with multiple avenues of entry for small entrepreneurs.

Additionally, we recommend that CAO A avail itself of the White House Competition Council, as established by Executive Order 14036. Specifically, consistent with Section 5(j) of the Executive Order, we suggest instructing the Secretary of the

Treasury, in consultation with the Attorney General and the Chair of the FTC, to submit a report within 120 days of CAOAs enactment to the Chair of the White House Competition Council. The report should assess the current market structure and conditions of competition in the cannabis sector nationally, including an assessment of any threats to competition and barriers to new entrants, including:

- any unlawful trade practices, such as exclusionary, discriminatory, or anticompetitive distribution practices that hinder smaller and independent businesses or new entrants from distributing their products;
- patterns of consolidation in cultivation, production and manufacturing, distribution, or retail; and
- any unnecessary trade practice regulations, including but not limited to permitting or labeling that may unnecessarily inhibit competition by increasing costs without serving any public health, informational, or tax purpose.

The results of such a study should be used to set standards and limits on the number of total state and federal licenses or cannabis businesses any entity or person may hold or operate, directly or indirectly.⁶

Limits on licenses, stores, or cultivation space can help ensure that state markets do not unfairly favor existing operators or allow them to dominate the market before equity programs are developed or implemented (as has been the case in multiple state markets). Notably, Massachusetts, Pennsylvania, and Illinois limit the number of one type of license an entity may hold to three, five, and ten respectively.⁷ A possible alternative to prohibiting vertical integration altogether is to allow an actor to only hold one license of each type and then to build a vertical operation from those individual licenses, as in Vermont.⁸

⁶ For an example of an anti-cartel restriction that would specify that no person or corporation may own or control more than five federal cannabis enterprise licenses after marijuana is removed from the Controlled Substances Act, see Parabola Center’s model amendments to the Marijuana Opportunity, Reinvestment, and Expungement (MORE) Act of 2021. Holders of excess licenses may devolve, sell, or spin off those excess licenses through a regulatory process and as permitted by state law. Available at <https://www.parabolacenter.com/MORE%20Act%20Rewrite%20by%20Parabola%20Center.pdf>.

⁷ Swinburne, Matthew. State Efforts to Create an Inclusive Marijuana Industry in the Shadow of the Unjust War on Drugs, 15 J. Bus. & Tech. L. 235 (2020).

⁸ Act 164, An Act Relating to the Regulation of Cannabis. Available at https://ccb.vermont.gov/sites/ccb/files/documents/ACT164%20As%20Enacted_1.pdf.

4. Section 511 should permanently bar corporations with a demonstrated history of offenses against public health, labor and workers’ rights, and the environment.

The disqualification of a federal permit in Section 302(a)(2), Disqualifying Offenses, should be amended so that it does not disqualify unlicensed operators who are attempting to transition to the regulated market. Instead, companies that have been bad actors in manners relevant to running a cannabis business – particularly those companies that have caused substantial harm to public health by lying about the hazards of their products – should be barred from the industry.

Under Section 302(a)(2), Disqualifying Offenses, we recommend a new subparagraph (C) with the following additional and non-waivable disqualification for corporate bad actors:

(C) Mandatory Bars To Permitting. —No permit shall issue to any business enterprise, or any officer or director of the enterprise, any subsidiary, or any officer or director of a subsidiary that:

(i) has been convicted;

(ii) has admitted to sufficient facts for a conviction;

(iii) has been subject to sufficient findings of fact by a Court of the United States for a conviction;

(iv) has been subject to a civil remedy or penalty by a Court of the United States arising from a civil action brought by an agency or instrumentality of the United States; or

(v) has entered into a plea agreement, deferred prosecution agreement, non-prosecution agreement, or civil settlement with any agency or instrumentality of the United States —

for any violation of: the Racketeer Influenced and Corrupt Organizations Act, except where the unlawful conduct consisted of marijuana cultivation, processing, distribution, or sales; the civil rights of any person; the Foreign Corrupt Practices Act; or of any other federal criminal statute for which the gravamen was substantial fraud, abusive labor practices, human trafficking, slavery, intentional failure to pay wages, substantial harm to public health, the environment, or an endangered species, terroristic actions, money laundering, misappropriation of public funds, or public corruption. No person described under this subsection (C) shall be eligible for any waiver provided by subsection (B).

5. We recommend creating a Cannabis Equitable Access Authority, led jointly by the Department of Justice Antitrust Division, the Federal Trade Commission, and the Treasury, with substantial investigative and enforcement powers.

Lead agencies should be authorized and required to coordinate an interagency, “whole-of-government” approach to ensuring fair competition and equity in the cannabis sector. The model for such an approach is described in Executive Order 14036 Section 3, Agency Cooperation in Oversight, which sets out a basis for interagency cooperation and Section 5, Further Agency Responsibilities, detailing specific actions to be undertaken in major agencies. We recommend following a similar model.

Agencies that are empowered to proactively undertake investigations into market conditions have been successful in comparable international jurisdictions. For example, the [United Kingdom’s Competition and Markets Authority \(CMA\)](#) may assess market conditions and trade practices even in the absence of a specific triggering event such as a proposed merger. We recommend establishing a Cannabis Equitable Access Authority that pulls together the knowledge and powers of the DOJ, the FTC, and Treasury in a manner that supports state regulatory counterparts.

We recommend a new Section 513, establishing the Cannabis Equitable Access Authority in the following manner:

Section 513. Cannabis Equitable Access Authority (CEAA).

(a) CEAA Established. —The CEAA is hereby established as a task force led jointly by the Attorney General, the Commissioner of the Federal Trade Commission, and the Secretary of the Treasury and whose personnel, resources, and authority shall be drawn from their agencies. The CEAA shall be authorized to initiate rulemaking as reasonably necessary to carry out its duties under this Section.

(b) Investigations. —The CEAA shall be authorized to investigate, upon its own initiative, business and trade practices, market conditions, barriers to competition, barriers to equity, and disparities of access related to any aspect of commerce among licensed cannabis enterprises, ancillary enterprises that serve licensed cannabis enterprises, investors, owners, shareholders, officers, and directors of such cannabis and ancillary enterprises, and public bodies engaged in the regulation of the cannabis sector.

(c) Power to Protect Market Access, Fair Competition, and Social Equity. — On the basis of clear and convincing findings arising from an investigation pursuant to (b) or from any other source, the CEAA may exercise any powers ordinarily available to the Attorney General, the Commissioner of the Federal Trade Commission, or the Secretary of the Treasury to

- (1) prevent or sanction unfair, deceptive, or abusive business practices;*
- (2) prevent consolidation and promote competition within any part of the cannabis sector or ancillary sectors, through the independent oversight of mergers, acquisitions, and joint ventures;*
- (3) promulgate and enforce rules that promote competition, including the market entry of new competitors;*
- (4) seek the restructuring of enterprises whose practices unfairly impede or restrict competition, including the market entry of new competitors; and*
- (5) promote market transparency through compelled disclosure of information.⁹*

Data Collection and Competency Building Recommendations

1. Demographic data collected by the Bureau of Labor Statistics should be expanded to meet the complex and growing needs of state-level research and monitoring.

Parabola Center recommends strengthening data collection and collection methodology for purposes of evaluating social and economic equity efforts and establishing effective benchmarks. We generally recommend that all cannabis legislation and regulation, at any level of government, take into account modes of control and influence beyond direct legal ownership when assessing whether or not any market in cannabis is genuinely equitable. Therefore, we recommend the following additional criteria and data points. Note that we suggest that data collection be expanded to track ancillary companies, particularly cannabis tech companies which are beginning to acquire direct cannabis licenses.¹⁰

⁹ Modelled generally on EO 14036, Section 2(d).

¹⁰ The risk of monopolistic third-party technology platform providers is substantial and the potential for federal legalization to allow for monopolies in technology platforms and other ancillary services only increases our concern. In Massachusetts, such companies are banned from investing in delivery licensees, required to keep contracts with cannabis businesses arms-length and not include profit sharing, and subject to anti-monopoly restrictions (“It shall be a violation of, 935 CMR 500.000, for any Marijuana Retailer to or attempt to monopolize, or combine or conspire with any other person or entity including, but not limited to, a Third-party Technology Platform Provider, to monopolize any part of licensed activities authorized under 935 CMR 500.000.” 935 CMR 500.140(17)).

We recommend amending Section 304 in the following manner (additions in bold):

(b) Demographic Data.—The data collected under subsection (a) shall include data regarding—

- (1) age;*
- (2) certifications and licenses;*
- (3) disability status;*
- (4) educational attainment;*
- (5) family and marital status;*
- (6) nativity;*
- (7) race and Hispanic ethnicity;*
- (8) school enrollment;*
- (9) veteran status;*
- (10) sex; and*
- (11) participation in a social equity, economic empowerment, or other program intended to ensure racial equity in the cannabis industry.***

(c) Confidentiality.—The name, address, and other identifying information of individuals employed in the cannabis industry shall be kept confidential by the Bureau and not be made available to the public.

(d) Data Collection and Comparability. —Data and other information collected by the Bureau under this section shall be collected and maintained in a manner that allows for accurate and meaningful comparisons of any two or more jurisdictions.

(e) Definitions.—In this section:

(1) Cannabis.—The term “cannabis” has the meaning given such term in section 3.

(2) Cannabis Industry.—The term “cannabis industry” means the industry, in any State or locality in the United States, in which an individual or entity—
(A) conducts businesses pursuant to a permit issued under section 302 of the Federal Alcohol Administration Act, as added by section 511; or
(B) is otherwise licensed or permitted under the law in such State or locality to engage in a commercial cannabis-related activity; or
(C) that has, as its predominant commercial activity, the provision of ancillary goods or services to cannabis industry individuals or entities described under (A) or (B).

*(3) OWNER. —The term “owner,” with respect to a business, means an individual or entity that **meets any one or more of the following criteria:** —is defined as an owner under the State or local law where the individual or entity is licensed or permitted to operate such business; **or** —has fractional ownership of a business in the cannabis industry and substantially controls or influences the decision-making of the business; **or** —through other means, has indirect control of or influence over the decision-making of a cannabis business in a manner substantially similar to control or influence through ownership, where such indirect control shall include, but not be limited to, having majority or substantial ownership over a holding or parent company of the cannabis business.*

2. CAOA should establish a Cannabis Regulatory Center for research, cross-jurisdictional information-sharing, and the training of regulators, in order for regulators with appropriate expertise to develop federal regulatory competence in cannabis.

We recommend that CAOA include a new section or subsection expressly requiring that the Food and Drug Administration (FDA) and Alcohol and Tobacco Tax and Trade Bureau (TTB) jointly establish a central research, communications, and training center for the development of long-term federal institutional knowledge and expertise across multiple agencies and for the sharing of information with state and local counterparts. Regulatory competence is essential to the success of national legalization, and effective information-sharing across jurisdictions is essential to preventing the rise of anticompetitive practices. This requires the development of knowledge at both institutional and individual levels that is transmitted and improved over time.

The FDA and TTB, as lead agencies, should be expressly authorized and instructed to:

- Aggregate and review the ample data already collected by state and local governments;
- Research and review existing state and local public policy efforts;
- Aggregate and review credible scientific and medical findings;
- Provide a clear channel of ongoing communication between federal agencies and regulators and their state and local counterparts;
- Receive state investigative intelligence on predatory practices and anticompetitive tactics and provide alerts to state and local regulators;

- Provide up-to-date and sustained training of both appointed and career public officials across *all* agencies concerned with the cannabis sector and its ancillary sectors.

We additionally recommend that CAOAs expressly provide the following instruction to all agencies responsible for the Act's implementation:

Insert in sections where implementation will require the redistribution of agency personnel or new hiring, language consistent with the following:

In any instance where a regulatory agency is authorized or tasked under CAOAs to develop nuanced and industry-specific regulations, guidance, standards, or enforcement practices, such development should be carried out by or entail the hire and assignment of regulatory personnel who have:

- *expertise and background in communities adversely impacted by the war on drugs,*
- *expertise and knowledge regarding social equity policies and efforts in the cannabis sector, and*
- *the requisite knowledge and experience appropriate for their agency.*

Again, thank you for your serious and detailed approach to the issue of federal cannabis legalization and for the opportunity to submit these recommendations. With the above changes, Parabola Center supports CAOAs as an opportunity to create a diverse market that serves consumers and public health, while building on effective equity programs already at work in state markets. Together with justice measures and reinvestment into communities of color, these provisions for open and fair competition will create a new framework that acknowledges the harms of the past and starts to build credibility and trust for a new start. We look forward to further collaboration and discussion.