



December 9, 2020

STATE OF NEVADA
CANNABIS COMPLIANCE BOARD
ATTN: Tyler Klimas and Amber Virkler
Via Email: tklimas@ccb.nv.gov; avirkler@ccb.nv.gov

RE: Petition for Emergency Amendment to NCCR 13.025(5) "Two Driver Rule"

Dear CCB Members,

Given the current emergency situation with COVID-19, we'd like to petition that the CCB repeal the "two driver rule" under NCCR 13.025(5) for the duration of the coronavirus pandemic to allow for safe physical distancing between our wholesale distribution agents. According to the CDC, COVID-19 is thought to spread mainly between people who are in close contact with one another (within about 6 feet). Some spread of the virus might be possible before people show symptoms. Therefore, it's important to "socially distance" by maintaining at least 6 feet of distance between yourself and others. This is not possible for the majority of our wholesale distribution routes. Under the provisions of NCCR 13.025(5) below, approximately 80-85 percent of our wholesale deliveries are done with two drivers in one enclosed cargo van:

13.025 Amount that may be transported by distributor; transportation by cannabis establishment agent; restrictions on transportation by vehicle.

(5) If the value of the cannabis and cannabis products being transported by a cannabis distributor in a vehicle, as reported on the transportation manifest as the insured fair market wholesale value, exceeds \$25,000, the cannabis distributor shall ensure not fewer than two cannabis establishment agents of the cannabis distributor accompany the vehicle.

Crooked Wine (DBA Blackbird Logistics) holds two distribution licenses in Nevada, in the cities of Reno and Las Vegas; distributing the vast majority of cannabis goods in the state. The average wholesale order value is approximately \$12,000. Since we transport multiple orders in one cargo van, the \$25,000 threshold is easily met (i.e., we do not transport only one order to a dispensary and then return 100s of miles for the next order). Approximately 50 percent of our routes have more than \$50,000 in product at some point in the trip (i.e., the full cargo van); and about 10-15 percent carry over \$75,000 in product value.



The presence of two agents in one cargo van does not offer significant benefits in terms of security. Our agents are trained to be diligent in observing their surroundings, but to forfeit any and all product and/or cash on board in the event of a robbery. All wholesale deliveries are conducted within secured loading areas at the dispensary, under camera, and with the dispensary security guard present. As such, repealing the two driver requirement for wholesale deliveries, would not incur secondary security risks associated with our operations.

Please consider taking action on this petition in your scheduled December 18, 2020 CCB Board meeting. We understand that the request comes just short of the 15 days before your next meeting; however, per our previous phone calls and email correspondence, we feel this request warrants immediate attention in light of the increasing COVID-19 infection rates.

Repealing the two driver rule should be maintained until COVID-19 infection rates decrease. At minimum, we suggest the CCB waive the two driver rule for a 6 month period, with the option to extend, depending on the state of the COVID-19 pandemic. Given that the two driver rule poses no significant security benefits to our distribution services, as described above, Blackbird also petitions that the CCB consider repealing NCCR 13.025(5) in perpetuity. Blackbird is the largest wholesale distributor in Nevada, and does not expect any secondary effects to other operators as a result of repealing NCCR 13.025(5).

Not providing distributors relief from the two driver rule poses significant risks to the movement of cannabis within Nevada, as Blackbird will have to halt the majority of operations in the event that one of our distribution agents contracts COVID-19. We have experienced positive COVID-19 among our California wholesale distribution staff, and it ultimately shut down an entire arm of our distribution services in that state. We'd like to prevent that from happening in Nevada.

Sincerely,

Crooked Wine (DBA Blackbird Logistics)

A handwritten signature in blue ink, appearing to read "Tim Conder".

Tim Conder, CEO

