
From: Tung Chaohsiung <Doc@g3labsllc.com>
Sent: Thursday, June 3, 2021 5:10 PM
To: CCB Regulations
Subject: June 2021 proposed changes to NCcomments
Attachments: Comments for Proposed Changes to NCCR Regulation.pdf

These comments are based on the June 2021 proposed changes to NCCR regulation.

Comments for Proposed Changes to NCCR Regulation (June 2021)
 G3 Labs, LLC (L007)

#	Proposed Changes	Comments	Recommendations
1	<p>11.075.7 <i>“...a cannabis cultivation facility or a cannabis production facility must obtain the results of two retests from two different cannabis independent testing laboratories. For the retested lot or production run to be approved for sale, both retests must provide passing results...”</i></p>	<p>NCCR11.075.8 “A failed quality assurance test for pesticide residue must be retested by the State Department of Agriculture...”</p> <p>Since there is only one Nevada Department of Agriculture, it is impossible to <i>“obtain the results of two retests”</i>.</p>	<p>Clarify the regulation and specify that the pesticide residue retest result from Nevada Department Agriculture shall determine if the lot/run failed.</p>
2	<p>11.075.7 <i>“If both results provide passing results, the certificate of analysis with the higher quantifiable results will be recorded.”</i></p>	<p>The current practice is the retest being a full penal test that includes all quality assurance tests. When the retest provides passing results for the item in question, the “new” numbers from retest override all the original numbers (those numbers include potency, terpenes, etc.)</p> <p>When implementing the proposed language, there will be second and third testing results and certain degree of differences definitely will exist between these two lab results. For example, potency from #2 lab is higher than #3 lab, but terpenes result is the other way</p>	<p>Need to provide clear guidance for which number to use and by whom.</p>

		<p>around. Similar situation will happen for certain microbial categories (some micro is higher in #2 lab while others lower.) Which number should be recorded and by which lab into the seed-to-sale (METRC) system?</p>	
3	Throughout the regulations	<p>It appears that the proposed changes are changing the “product manufacturing facility” to “production facility” and “testing facility” to “independent testing laboratory.”</p> <p>However, there are plenty “product manufacturing facility” and “testing facility” terms in the rest of the text without being changed.</p>	Do a word search and modify all to updated terms.



June 9, 2021

Via email

Cannabis Compliance Board
C/o Tyler Klimas, Executive Director
555 E. Washington Avenue, Suite 5100
Las Vegas, NV 89101
CCBmeetings@ccb.nv.gov

Re: Proposed Changes to Delivery Requirements

Dear Director Klimas and Board Members,

As the end of the pandemic approaches, safe and effective cannabis distribution is imperative to the recovery of our industry. Enabling distribution companies to collect, store, organize, and dispatch multiple orders would allow for distribution employees to reduce the overall distance they must travel in between each order, increasing safety and minimizing environmental impact. Routes of travel that vary, instead of predictably mapping from the originating facility to the receiving facility, will also increase security and reduce the likelihood that a planned order can be intercepted.

As most of these deliveries are completed locally and are conducted under video surveillance at the originating and receiving facilities, the need for two drivers to accompany the cannabis is redundant. The presence of a second agent would do little to deter external theft, and internal diversion is monitored through inventory control measures as set forth by NCCR 6.080. It is highly unlikely that unplanned stops, refueling, or driver fatigue will be encountered during local deliveries, thereby further reducing the need for a second agent.

Please consider the adoption of these proposed changes for the betterment of the industry and an accelerated recovery from the pandemic.

Respectfully submitted,

Kent C. Kiffner



June 11, 2021

STATE OF NEVADA
CANNABIS COMPLIANCE BOARD
ATTN: Tyler Klimas and Michael Miles
Via Email: CCBmeetings@ccb.nv.gov

RE: Public Comment on Proposed Amendments to NCCR 13 - Regulation Workshop

Dear Cannabis Compliance Board (CCB) Members,

We are pleased to see that CCB will hold a Regulation Workshop that includes important amendments to distribution requirements under Section 13 of the Nevada Cannabis Compliance Board Regulations (NCCR) at the June 15, 2021 meeting (Agenda Item H). Speed and productivity of the cannabis supply chain has become a primary factor of growth for businesses in Nevada. However, the current NCCR regulations for the wholesale distribution of cannabis goods present limitations to efficient statewide delivery. While certain pieces of the proposed amendments include language that better reflect wholesale distribution models, there are proposed changes to the driver requirements that maintain unnecessary burdens on distributors that are precedent-setting when compared to the supply chains for all other consumer goods.

We look forward to further discussion on these talking points at the public workshop.

Agenda Item H. Regulation 13. Cannabis Distributors

1. NCCR 13.020 Storage area for cannabis and cannabis products; verification of inventory; inspection by Board.

We are in full support of the proposed amendments to NCCR 13.020, which reflect cross-docking processes in the wholesale distribution of cannabis goods.

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

We are not in support of an amendment to NCCR 13.025 that maintains a two driver requirement based on load value and distance. In consultation with several long-time professionals in supply chain

management (both within and outside of the cannabis industry), we have generated the following primary justifications for completely repealing the requirement for two drivers in Nevada's cannabis distribution regulations:

- A. **Parity with other industries** - Two driver requirements (also known as "team driving") are not set in regulations for any other consumer goods, including high-value or regulated commodities. Outside of armored cash transport, team driving decisions are set by the businesses of that supply chain and vendors of the product, not the regulating body. When discussing the reasoning behind established internal team driver policies, security was not the impetus for utilizing two drivers. In all conversations, the reason distributors choose to implement team driver policies is related to labor laws and driver fatigue (i.e., long hauls requiring long shifts that were best shared between two employees). Team driver policies are utilized when there is not an option for a driver to stop or layover on route for an extended rest period. In some instances, distributors are wary to implement team driving policies, as the potential for distracted driving is elevated (i.e., Driver 1 distracts Driver 2).
- B. **Parity with other cannabis operators in Nevada** - When looking within the current CCB regulations for every other operator type within the Nevada cannabis supply chain, there are no requirements that mandate two agents. The value and distance thresholds under the current and proposed amendment to NCCR 13.025 are not consistent with the single-agent workflows we see for other segments of the cannabis supply chain within the state. For example, two agents are not required to be at a retail location at all times while in operation. With the proper security retrofits of a transport vehicle (i.e., GPS, alarms, locks, and dashboard cameras) we do not see a reason to require two agents for a distributor, but not for any other cannabis operation.
- C. **Parity with other legal cannabis markets** - A cursory review of regulations in all other legal cannabis markets within the U.S. shows only four other states requiring two drivers (PA, FL, IL, and MA). All other legal markets within the U.S. allow for the operator and vendor to decide what team driving policies best make sense for their operations. Most notably, the western states with the largest, and well-established cannabis markets (CA, CO, OR) do not set regulations for team driving requirements. We recommend that CCB consider parity with the majority of other legal U.S. markets, if not for the other reasons listed in this letter, but also for the potential near-term initiation of interstate commerce. Having varying driver requirements within Nevada that are not consistent with adjacent states establishes an immediate problem for operators looking to right-staff interstate distribution models in the future.
- D. **No net benefit in security** - The presence of two agents in one cargo van does not offer significant benefits in terms of security. It is industry standard for distribution agents to be 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 distribution operations.

With regard to actual theft, the most common type of robberies in distribution (of any commodity) is full-vehicle theft (i.e., car jacking the entire vehicle). These kinds of robberies are typically organized and targeted, sometimes with vehicle, route, and schedule information provided by an internal employee. Most operators have retrofitted their cannabis transport vehicles with security cameras and GPS tracking, so that if ever a vehicle were to be stolen, it can be immediately

located and reported to local authorities. We recommend CCB consider repealing the two driver requirements from NCCR 13, and adding security retrofit requirements for transport vehicles, like GPS and security cameras. These retrofit measures are far more effective in reducing and mitigating security risks than additional bodies in a cargo van.

- E. **Added costs to the cannabis supply chain** - The current value and proposed distance thresholds that require two agents accompanying the cannabis transport represent nearly 75% of all transfers in Nevada. It is not economically viable to only partially fill cargo vans and run many routes. We encourage CCB to evaluate the true distribution data within Nevada, and are happy to provide further information upon request. Requiring two drivers on the majority of transports within the state substantially increases the costs of distribution, which is then passed onto the consumer. In order to stay competitive with the illicit market prices, we recommend CCB *not* implement high-cost requirements on licensed operators unless there is certainty of a safety or security benefit the requirements would provide. In the case of the two driver requirements, we do not see added safety or security benefits; only significant operational cost implications.

Thank you for considering our collective comments on the proposed regulatory amendments. Should you have any questions, please contact Jennifer Gallerani at jennifer.g@myblackbird.com or 650.515.1381.

Sincerely,

**Cannabis Distribution Association
Nevada Dispensary Association
Crooked Wine (DBA Blackbird Logistics)
MedMen
Deep Root Harvest
The Source+ Holding**



June 14, 2021

Nevada Cannabis Compliance Board

Regulatory Workshop Proposed Changes

Dear Honorable Michael Douglas and Board Members,

I am Randy Query, Director of Government Relations for the American Association for Laboratory Accreditation (A2LA). I have been involved with laboratory accreditation for well over two decades. On behalf of the A2LA, I am commenting specifically to the proposed Regulation 11. Cannabis Testing Facilities.

By way of background, A2LA is a non-profit, accreditation body with over 3900 actively accredited certificates representing all 50 states including over ninety organizations accredited for cannabis testing. We have been granting accreditation to testing laboratories in various industries since 1979. The criteria forming the basis for our laboratory accreditation program is ISO/IEC 17025 General requirements for the competence of testing and calibration laboratories. We ourselves, as an accreditation body, have been evaluated against rigorous standards in providing this accreditation service and are recognized globally as an International Laboratory Accreditation Cooperation (ILAC)-recognized accreditation body.

In establishing an adult-use cannabis program, laboratory testing and the ensuing test results, are critical to the program. Regular laboratory assessments leading to accreditation, will provide the users of the test reports with confidence that the data is backed by a quality management system, technically competent testing, qualified personnel, and the use of the appropriate facilities and testing equipment.

We *strongly* support your regulation that requires ISO/IEC 17025 Accreditation through an ILAC signatory as required in 11.025 (c).

However, we greatly encourage the Board to consider requiring that sample collection be included as an accredited activity. This can be addressed by revising 11.020 (1.) to the following (additions/revisions in **bold**):

Each cannabis testing facility must agree to become accredited pursuant to standard ISO/IEC 17025 of the International Organization for Standardization within 1 year after licensure. The Scope of accreditation must cover all analytes pursuant to NCCR 11.050 and **sample collection methodology**.

This revision will help assure that the sample is collected appropriately and objectively. The accredited cannabis testing laboratory can be assessed by an accreditation body to ensure that the cannabis testing laboratory has appropriate sampling procedures and are implementing the appropriate sampling procedures using trained personnel.

We would be pleased to provide more background and elaborate on our comments at your convenience. If interested please contact me at rquery@A2LA.org.

Sincerely,

Randall Query
Director of Government Relations, A2LA

From: Mike McHugh <mike@safearbor.io>
Sent: Monday, June 14, 2021 5:11 PM
To: CCB Meetings
Subject: Mike McHugh/Safe Arbor public comment for CCB Regulatory Workshop on June 15, 2021

I hope that you all remain safe, healthy and well in the midst of this busy time. My name is Mike McHugh and I am a 25 year Nevada resident. This email is to voice my support for the draft regulation items for discussion in:

Section E. Regulation 6. Production and Distribution of Cannabis

1. **NCCR 6.080 Inventory control system; authorized source for acquisition of cannabis and cannabis products; duties of establishment if loss incurred; maintenance and availability of documentation**

Section H. Regulation 13. Cannabis Distributors

1. **NCCR 13.020 Storage area for cannabis and cannabis products; verification of inventory; inspection by board.**
2. **NCCR 13.025 Amount that may be transported by distributor, transportation by cannabis establishment agent; restrictions on transportation by vehicle.**

I work with a female owned Nevada company called Safe Arbor. Our offices and factory are located here in Las Vegas. Safe Arbor makes smart lockers to protect and track cannabis and other high-value assets as they move through the supply chain. Our proprietary Hardware+Software technology solutions provide affordable security, compliance and accountability with automated, end-to-end supply chain manifest credentials.

Similar to Amazon-style digitized pick-up lockers, Safe Arbor machines are for use by cannabis consumption lounges (for compliant storage and delivery of product to lounge), dispensaries, delivery services, and manufacturers/distributors. They are sized to fit any facility, vehicle, or product, and compartments only open when, where, and for whom they are supposed to, ensuring that cannabis, cash and other sensitive assets are secured, transported and stored safely through complex and integrated regulatory spaces and with fewer human touch points.

SafeArbor lockers help bolster the CCB's efforts to maintain a safe and secure cannabis supply chain. SafeArbor strongly supports the passage and implementation of draft regulations highlighted above as they are currently written. Thank you for your time and your work to make Nevada's cannabis industry compliant, safe, and robust, for consumers and businesses alike.

Sincerely,

Mike McHugh
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