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Let's Grow Together

Hello Members of the Senate Judiciary Committee,

The state of Vermont has stated time and time again, their interest to provide economic opportunities to individuals who historically have been disproportionately impacted by cannabis prohibition, also known as social equity applicants. Yet, Vermont has an unrealistic idea of who, as a social equity applicant, would be able to succeed in our local cannabis market. Due to deeply ingrained systemic socioeconomic issues, many people who qualify as social equity applicants lack the necessary capital and/or specialized knowledge needed to successfully maintain a business.

It must be emphasized that this is not by the fault of the individual but rather that of a system that thrives on cyclical poverty and income inequality. With this in mind, it is in the interest of all potential social equity applicants for there to be a less cumbersome and less costly alternative to entering the cannabis industry than opening a traditional establishment. That alternative is a delivery license available exclusively for social equity applicants holding no other cannabis licenses for a window of 3 years and subsequently open to all Social Equity Applicants for the 7 years thereafter.

The argument for developing delivery licenses exclusively for Social Equity Applicants is a three pronged approach with nearly every player across the spectrum benefiting.

The first beneficial aspect of developing a delivery license exclusively available to social equity applicants is its low cost and low barrier to entry. This affords folks who lack access to capital or the specialized knowledge to, for example, cultivate and/or manufacture commercial grade cannabis products, a low barrier to enter the market and equally low start-up costs. For the initial 3 years, the license would be exclusively available to Social Equity applicants who do not hold another cannabis business license. After the initial 3 years, delivery licenses would be available exclusively to Social Equity Applicants, regardless if they have another business in the state for a window of 7 years. This gives delivery licensee's a vital advantage by minimizing competition from big players and giving them the option to expand and acquire other licenses after 3 years. By contracting and going to various dispensaries, retail storefronts and other players along the supply chain, delivery licensee's would be networking and building essential industry knowledge, equipping them with their own tools to start a traditional cannabis business in year 4 and beyond if they so choose.

The second group or groups to benefit from developing a social equity exclusive delivery license are patients, consumers and the public. Vermont is a very rural state that has chosen to undergo the "Opt-in" process for retail cannabis. This means an individual may live dozens, even hundreds, of miles from a municipality that has opted to host a retail or medical cannabis outlet. By providing delivery services to consumers and patients alike, a much-needed service is provided to someone who otherwise couldn't easily access cannabis products. In the case of patients, oftentimes these are folks with physical and/or mental disabilities who are unable to access their medicine. It is important to remember, those who need cannabis as medicine often can't access it for the same reason they need cannabis as medicine. It should also be noted,

delivery currently exists for medical patients and is accessible in all corners of the state and everywhere in between. In the case of consumers, delivery encourages smart decisions regarding impaired driving. Vermont also has an aging population, with the 55 year old and up demographic growing year by year. That demographic would directly benefit from having cannabis delivered to their door as opposed to driving into an “opt-in” town, which based on the state of backroads in Montpelier is night and day. By allowing consumers the choice to order cannabis to be delivered, it would replace the number of potentially impaired drivers on the road with licensed couriers and could reduce the number of cannabis related driving accidents. This would directly address public safety concerns regarding impaired driving and the elderly.

The final beneficiary of a Social Equity exclusive delivery license is nearly every player in the cannabis supply chain including state and municipal governments. By allowing delivery, a higher number of consumers can and will engage with the legal market thus resulting in a greater number of legal transactions, which would directly undermine the illicit market. More transactions means more revenue for businesses across the supply chain and subsequently more tax revenue for state and local governments. It should be noted that Medical patients do not pay taxes.

What VT NORML is proposing in this amendment is nearly identical to the language supported by the CCB and the NACB Social Equity Sub-committee. In their Jan. 15 report to the legislature, the CCB recommended developing a delivery license exclusively for Social equity Applicants. The major difference between our language and that of the CCB is we see delivery as a public safety advantage opposed to a disadvantage as delivery services would minimize impaired driving.

In addition to the Cannabis Control Board, the NACB, National Association of Cannabis Businesses, is also in agreement with this measure. The NACB was an outside consultant hired to spearhead the CCB's various sub-committee's including that on Social Equity. Like the CCB, the Social Equity sub-committee recommends that the legislature approve Social Equity exclusive delivery licenses.

Since giving our initial testimony on this issue, we have received an outpouring of support from local businesses. We also have the support of Shaleen Title, one of if not the most prominent social equity cannabis advocates in the country and the inaugural regulator of the Mass. Cannabis Control Commission.

While VT NORML continues to encourage market participation by any and all who have been harmed by cannabis prohibition, the last thing we want to see in our communities are failed businesses, a probable outcome for someone looking to open up shop with nothing more than a waived license fee. The financial investments, regulatory burdens, and specialized knowledge required to open traditional retail, manufacturing, cultivation and/or testing labs is often too great for many Social Equity Entrepreneurs. For these reasons, it is of the utmost importance to us that delivery licenses are available exclusively to social equity applicants with no other cannabis licenses for the initial rollout.