



Aug 30, 2021

Dear Majority Leader Schumer, Senator Booker, and Senator Wyden,

BIPOCANN commends you on the release of the Cannabis Administration and Opportunity Act discussion draft. This draft de-scheduling bill makes significant progress towards our goal of legalizing cannabis and reversing the failed policies that have negatively impacted BIPOC communities for decades.

**BIPOCANN's mission is to increase BIPOC visibility to advance representation and economic growth in the legal cannabis industry of the Americas.** BIPOC populations are under-represented in the corporate and profit centers of the multibillion-dollar industry, yet continue to be the communities most arrested, convicted, and incarcerated for cannabis possession and use. So, we could not be more excited about the monumental step forward that this bill represents for American cannabis policy: removing cannabis from the CSA, funding grant and loan programs for those disproportionately harmed by the war on drugs, expunging criminal records, and empowering states in the regulatory framework.

We offer the following comments to further strengthen the discussion draft in the economic interest of BIPOC constituencies impacted by this historic bill.

**Preserve state social equity programs** by allowing states to continue to allocate certain advantages to BIPOC individuals and communities. This includes bonus points in application processes; exclusive licensing opportunities; specialized training and education; and fee waivers or funding programs. **Social equity applicants will have a much stronger chance of survival if Congress suspends the Dormant Commerce Clause during a transition period prior to**



**interstate commerce when it de-schedules cannabis.** In that event, these nascent operators will be able to enjoy the fruit of a normalized financial services landscape for a period without fierce competition against out-of-state interests.

**Nurture BIPOC entrepreneurs in the cannabis industry.** As presently written in the discussion draft, there is no explicit timing given to when the national market would open, when interstate trade would begin, and when imports would be allowed. Therefore, by omission, it must be assumed that the national market would open immediately upon implementation. If a national market opened immediately upon de-scheduling, the legislation would provide an immediate competitive advantage to **“big capitalism” that will drive small businesses out of the state-legal cannabis market and likely send BIPOC ownership into extinction.**

**Developing a regulatory framework** that spans multiple federal agencies will take time to fully coordinate and implement. We need to allow enough time to develop a comprehensive federal/state regulatory system for the entire cannabis supply chain before implementing the national market. This crucial phasing **will allow existing and new state markets, small and disadvantaged businesses, social equity initiatives, community reinvestment programs, and American companies to flourish.**

**Federal legislation should not disrupt the current state cannabis markets,** but instead should provide a runway for American entrepreneurs, prioritizing impacted BIPOC communities, that have taken all the risk and built the industry over the past decades. Federal legalization legislation should protect current state cannabis markets by creating a transition period to the national market.

**Clarify the role of state regulatory authorities.** State cannabis regulators should be empowered to develop new state markets expeditiously during a transition period as the federal rules shape,



so that **BIPOC-owned businesses are afforded the opportunity to establish and grow in a supportive small business environment.**

**Allow incoming operators to navigate a transition to interstate commerce.** This “transition relief” accommodates the new market entrants, who have invested large sums of time, money, and resources to participate in stable, reliable, and safe state-based markets. Otherwise, these entrepreneurs will face intense early competition from big tobacco, alcohol, and international producers, essentially pushing BIPOC-owned businesses completely out of the market.

BIPOCANN applauds the US Senate effort to federally legalize cannabis and thank you for the opportunity to provide these comments on the discussion draft. We sincerely hope that you will take them into consideration as you finalize this historic bill.

Sincerely,

Ernest L. Toney  
Founder  
BIPOCANN