Tremaine Wright: Hello and welcome everyone, I am Tremaine Wright the Chair of the Cannabis Control Board. Recognizing that we have all Board members present, with Miss Garcia attending remotely, I am pleased to call to order the third meeting of the Cannabis Control Board and to welcome all of you who are watching virtually. As we have previously stated, it is our hope that in the near future, we will be able to safely gather for these meetings in person. For now, we come to you via streaming services and as always, this meeting will be recorded and the recording and transcript will be available to the public on the Office of Cannabis Management’s website; cannabis.ny.gov. Please note, there is a designated section of the website where this information on the Cannabis Control Board meetings are stored both past and present and is available to you, the public, everyday, all the time. Thank you. Today’s agenda will include some brief remarks from me, a review and approval of the meeting minutes from the Cannabis Control Board meeting held on October 21st, a discussion on the Cannabinoid Hemp Regulations, consideration of OCM employment items, a report from the Office of Cannabis Management’s Executive Director, Chris Alexander, an announcement about the next Cannabis Control Board meeting and then we will adjourn. So, let’s get started.

The Cannabis Control Board together with the Office of Cannabis Management is committed to the successful development of the cannabis industry in New York State. As a reminder of our timeline the Marijuana Regulation and Taxation Act the MRTA was signed into law on March 31st, 2021 following Governor Kathy Hochul and the legislature’s appointments of the Board members and the Executive Director, we have been holding regular meetings to address key priorities. To that end, I’d like to provide you with updates on a few of those priorities; staffing, stakeholder engagement, and deliver of statutory requirements.

First as it relates to staffing – the Executive Director and I have continued to recruit top talent for the Office of Cannabis Management. We’ve attracted and engaged personnel with such strong qualifications for senior positions across all teams. Today, we will consider another trench of recommended hires to continue building up the office. We have also smoothly transitioned DOH medical and hemp program staff to the new Office of Cannabis Management. The transition is now complete and staff report to and work out of the OCM.

Next, as it relates to engaging key stakeholders. I have been busy zooming and traveling to speak with many constituents across the state. Since our last Board meeting, I’ve engaged with the following organizations; the New York State Upstate Chapter of the American Planning Association, the New York State Association of Training and Employment Professionals, a Cannabis Business Symposium in Rochester, the New York State Society of Certified Public Accountants, New York Cannabis Insider Conference, and The Public Employer Risk Management Association. I have
said this to you before and I will say it again, engaging with the community, speaking directly to the community and incorporating community feedback is essential to the mission of the OCM. We are just getting started and the entire Board is looking forward to speaking with and hearing more from you as we continue.

With regards on delivering on the statutory requirements of the MRTA – today we will take a sizeable step forward implementing the Cannabinoid Hemp Program. Today, the Board will consider adopting Cannabinoid Hemp regulations to make them effective. We will hear from the members of the Office of Cannabis Management Staff about the history of the hemp program and an overview of the proposed regulations and a brief timeline for how we see the next 3 to 6 months playing out. I’m pleased that we will be advancing the Cannabinoid Hemp Program today just as we have done with the expansion of the Medical Marijuana Program at prior meetings. We hope our work here today signals to you an ongoing commitment to nurture each of the three New York State Cannabis Programs with intention and to incorporate stakeholder feedback. We will also discuss some additional considerations that we are contemplating as changes to the Cannabinoid Hemp regulations based upon stakeholder feedback received during the comment period. We will learn more about the Cannabinoid Hemp regulations soon but first, an important item of procedure.

The first order of business is to review and approve the meeting minutes from the October 21st, full Cannabis Control Board’s meeting. Before we get much further into today’s proceedings though, I would like to make a few brief remarks about the Open Meetings Law.

As stated at our first Board Meeting, the Cannabis Control Board is subject to the Open Meetings Law which is intended to ensure the greatest levels of transparency and public participation in the affairs of government. However due to the ongoing pandemic, we have requested that members of the public join us via video conference which we will continue to do to keep the public and members of this body safe.

Now, I’ll read a brief statement on Open Meetings Law into the record. Pursuant to Chapter 417 of the Laws of 2021 enacted on September 2, 2021, Board members may fully participate in meetings via video conference from locations that are not open to the public, provided that the public has the ability to view or listen to such proceedings, and the meetings are recorded and later transcribed. The new law sunsets on January 15, 2022. The public was provided with information on how to access this meeting within the Public Notice. A recording of this meeting, together with the transcript will be available on the OCM website. Previous recordings, meeting minutes, and transcripts are achieved on the OCM website as well. Please note, there is a designed tab on the website entitled Board Meetings where this information is shared and stored. A copy of the October 21st Board minutes have been provided to Board members for review. If there are no objections, I move to bring the approval of the October 21st Board meeting minutes to a vote. Any discussion? Seeing none. May I have a motion to accept the resolution before us?
Male: So moved.

Tremain Wright: Second?

Female: Second.

Tremain Wright: All in favor?

All: Aye. Thank you Jessica we see you. So there is no opposition and no abstentions. We will now move on to hear an overview of the Cannabinoid Hemp Program and the regulations before us today. I will now hand it over to our Executive Director of Office of Cannabis Management, Chris Alexander to walk us through these important updates.

Chris Alexander: Thank you Madam Chair and good afternoon Board members. The next few slides will present and overview of the Cannabinoid Hemp Program. I would like to give the floor to Board member Jen Metzger. Before I do so, I would like to congratulate and thank the Executive Legislature, particularly Assemblywoman Donna Lupardo and the staff, particularly Pat McCabe our First Deputy over here at OCM and Axel Bernabe our Chief of Staff Senior Policy Director for the work that they did on these regulations as well. Jen previously Senator Metzger was the sponsor of this law that led to these regulations and she spent countless hours closely with the industry experts to make sure we do this right so I’ll hand this over to you to walk us through the regulations.

Jen Metzger: Thanks so much Chris and good afternoon everyone. I’d like to begin by providing a brief background on the Cannabinoid Hemp Program to explain how we got here today. Following the passage of the 2014 Farm bill which authorized Hemp cultivation research in the United States, New York State launched the industrial Hemp Agricultural Research pilot program in 2015 at the Department of Agriculture and Markets. Hemp is a variety of cannabis sativa plant that contains less than .3% THC which is the main chemical in the cannabis plant that makes you high. Hemp is an extremely versatile plant and has a reported 25,000 different uses including in textiles, automotive parts, furniture, school, food and beverages, paper, construction materials and personal care items. And I’m hoping one day packaging for CBD products. The Ag and Markets pilot program exploded in popularity with over 800 farmers registered to grow hemp in New York State. Most of the farmers grew for Cannabidiol or CBD. CBD, as I’m sure we are all familiar with now, is a cannabinoid and a plant that has many promising health and wellness benefits. The Research Pilot Program
also registered processors of hemp that would extract the oil and cannabinoids from the plant to create cannabinoid products. The processors were authorized to make cannabinoid products that met dietary supplement standards but were prohibited from adding cannabinoids to traditional foods and beverages. Although the Ag and Markets program was very successful as a research program, the complexities of regulating the new crop and all of the potential of cannabinoid products derived from that plant warranted a more robust regulatory approach. In response, the legislature passed a bill in 2019 which was chaptered in January 2020 formally creating the Cannabinoid Hemp Program and bifurcating the Regulatory Authority of the plant between Ag and Markets and Department of Health. Ag and Markets maintained regulatory control over the cultivation of hemp and DOH inherited regulation of Cannabinoid Hemp processing and retailing. The Cannabinoid Hemp Program in DOH was placed into the Medical Marijuana Program to leverage existing experience and knowledge of the cannabis plant. It was also a conscious decision to use the term cannabinoid as opposed to CBD as the hemp plant contains hundreds of cannabinoids beyond just CBD. They have defined cannabinoid hemp as any product that is used for its cannabinoid content, for example CBD for human consumption or topical application. This importantly does not include more traditional food products derived from hemp such as hemp seed, old hemp or micro grains or hemp fiber used for industrial purposes.

So, I guess I’ll go on right now and just talk about the regulations and give you an understanding of the objections of the Cannabinoid Hemp Program.

First, the program is to comprehensively regulate cannabinoid hemp products in New York State by providing clear rules for what is allowed and what is not allowed to foster the development of a robust cannabinoid hemp industry. Due to the ambiguity of the federal level, one of the most common statements we hear from people in the hemp industry is that they are not sure what the rules are. The major objective of this program is to provide the growing industry a framework to at least take away some of that current ambiguity and uncertainty which is not good for the industry or for consumers.

Secondly, comprehensively regulate cannabinoid hemp products in New York State by providing clear rules for what is allowed and what is not allowed to help foster the development of a robust cannabinoid hemp industry. Many of the components of the proposed regulations are taken from best practices in the Food Safety and Cannabis Industry. When possible, we did not try and reinvent the wheel with new standards but rather pointed to existing framework such as good manufacturing practices from the FDA.

And lastly, to educate and enforce against substandard products or disallowed forms of cannabinoid hemp products in the market place, Public Health has always been the best rationale for regulations of cannabis products. So many
businesses are already selling cannabinoid products, education will be key in making sure businesses and consumers understand the requirements of the program.

So I’m going to give quick overview of the different license types in the Cannabinoid Hemp Program. By regulating the supply chain, the Office is able to have better oversight and quality control of the products sold in New York State. So one type of license is the Cannabinoid Hemp Processor and that’s both extractor and manufacturing for this license. So extracting cannabinoids from hemp biomass to create crude oil, distillate or isolate to be further refined or manufactured into cannabinoid hemp products. The license also permits manufacturing of final cannabinoid hemp products.

Second license type is Cannabinoid Hemp Processor only for manufacturing. The processor who purchases intermediate crude oil, distillate or isolate it to manufacturer final cannabinoid hemp products.

Third license type is the cannabinoid hemp distributor. These are permits to distribute cannabinoid hemp products manufactured out of state at whole sale or cannabinoid hemp retailers within New York State.

And finally cannabinoid hemp retail license of a business including an Internet retailer that sells cannabinoid hemp products in their final form to consumers to be used for human consumption.

So before we dive into the specifics of the regulations, I would like to provide an update as it relates to the number of hemp applications that have been received by DOH. As of October, over 2,800 applications have been received. Of those 403 are distributer licenses, 35 are manufacturer licenses, 36 are processor licenses, and 2,384 are retail licenses. The adoption of the hemp rules today will allow the state to begin issuing final license approval to all of the provisionally approved applicants as they will now have clearer rules to meet program requirements.

So now that we’ve kind of gone over the whole history and aims of the program, let’s discuss the specific standards put forward in the regulations for consideration today.

The first proposed regulation package was put forward in October 2020. In May 2021, the program issued revised regulations making several changes including updating the regulations to conform to the MRTA which included permitting the same of hemp flower products which was prohibited in the original version of the proposed regulations.
The regulations were then released for a second public comment period that ended on July 19th, 2021. This version of the regulations in front of the Board today largely mirrors the revised regulations issued by DOH in May only updating the DOH and OCM references in the regulations to confirm to the MRTA. One change that is worth highlighting as it relates to manufacturing standards: products must be manufactured using good manufacturing practices for GMP’s specific to the product form. For instance whether it’s a food or dietary supplement. These are incredibly important to giving consumers the confidence they need in these products. As it relates to laboratory standards, labs must be ISO/IEC 17025 accredited or approved to test medical marijuana in New York State. This ensures laboratories adhere to general requirements for the competence of testing and calibration laboratories. A full panel of testing is required which includes the cannabinoid profile, heavy metals, microbial, pesticides, mycotoxins and residual solvents. As it relates to pathogen labeling standards, New York State will require the nutritional or supplement back panel, the label is to state that the total cannabinoids per product servings stating the amount of CBD and THC as applicable. Requires a QR code or link to certificate of analysis. It requires product warnings such as, not evaluated by the FDA. It requires a mechanism to report an adverse event. It requires that all ingredients be listed, also requires an expiration or best by date and the country where hemp is sourced.

While the regulations will take effect immediately, components of the regulations such as the packaging, labeling and lab testing requirements have a delayed effective date to allow time for current processors and retailers to come into compliance with the finalized regulations. The extended effect of 8 of the select requirements is 6 months from when the regulations are filed which is April 2022.

Tremaine Wright: So thank you. we are pleased to hear this excellent progress and opportunities that it represents. Now that we’ve heard an overview of the current program and the summary of the regulations if you’d like to discuss additional changes to the program that are being considered in subsequent regulation packages, these changes were not included in this rule making because any alteration to the current draft would have required that the regulations be reissued for public comment and we wanted to move quickly. And in the ambiguity in the current market place, we wanted to give businesses certainty as they are moving forward and on the future of their licenses. We will continue to build the program and to ensure that we are providing the highest protections for New Yorkers while also supporting the hemp business and helping them compete in a rapidly growing national market. Mr. Alexander, can you please provide, oh you’re going to do it alright, Board member Metzger can you please provide an overview of those substantive changes that we can anticipate coming in the future?

Jen Metzger: Sure, so there are 10 on this list. The first is to change the per serving mg cap for dietary supplements of cannabinoid hemp products from 75 mg to 100 mg. Second is to remove the requirement that cannabinoid hemp products be shelf stable. The third is to increase the acceptable THC concentration of intermediary hemp extract from 3% THC to 5% THC, a lot of sense. Fourth, we’re going to establish a process for hemp farmers to affordably process and
manufacturer their own products. I think it’s sort of similar to a micro business license. Fifth, removing the cannabinoid hemp test limits from regulation to a guidance document. And then the next four are related to labeling; allowing out-of-state manufacturers to omit the label warning that the product may cause a consumer to fail a drug test. Modifying the requirements that lists the mg of total THC per serving and per package on cannabinoid hemp products labeling. Requiring cannabinoid hemp processors to include on the label the states where the hemp was first from not just the country. And finally, defining “craft” cannabis to prohibit advertising and marketing from processors who do not meet that definition. And I think that’s very important to our flourishing craft industry here. And then lastly and importantly, we will be specifying more requirements relating to cannabinoid hemp products manufactured out of state. So when you have a distributor permit, you have to provide proof that you’re complying with New York’s regulations and standards. It is a very important part of New York State’s law. And that’s it. I turn it back to you Madam Chair.

Tremaine Wright: Thank you very much. At this time I’d like to offer the Board an opportunity to ask members of the Office a few questions on the Cannabinoid Hemp Regulations and I see we have a hand raised by member Garcia.

Jessica Garcia: Thank you Madam Chair, just a questions, the regulations allow for the sale of hemp flower, can you just elaborate how that’s going to be regulated under the Cannabinoid Hemp Program?

Chris Alexander: Yes, absolutely. So the hemp flower issue was actually addressed after the MRTA was asked and this version of the regulations updates that to show that hemp flower products are allowed in the Cannabinoid Hemp Program provided that they’re not intended for smoking. So prerolls, for example, will not be allowed for sale but they would be allowed in the future Adult Use program.

Jen Metzger: I have a question. If you could just elaborate for the public what’s going on with Delta 8 because there’s been a lot of questions about that and if you could clarify regulations.

Chris Alexander: Absolutely so Delta 8 similar to Delta 9 CHG is psychoactive has psychoactive properties, particularly when synthesized through the processing process. Because of that, we’ve decided to hold off on including the regulations for those products in this package and that will be addressed in future Adult Use packages.

Tremaine Wright: And then we will get to Jessica and come back to you Reuben. Jessica.
Jessica Garcia: Thank you Madam Chair, so the regulations also contain a section for New York hemp products, can you just say more about how you’re seeing this provision play out in practice?

Chris Alexander: I just want to clarify one point, Delta 8 products are not allowed in this program at this time. That was the point I was making to make sure that was clear that they are banned at this moment due to their psychoactive properties and we will be discussing regulations for them moving forward in the Adult Use program. I just want to make sure that’s clear. Can you ask your question one more time Board Member Garcia?

Jessica Garcia: Yeah, I just wanted you to say a little bit more about how you’re see the New York hemp product provision playing out in practice?

Chris Alexander: Sure, well really what former Senator Metzger elaborated on was that these products, we want to create a really high standard for New York products and this symbol will be a flag to consumers that this product was produced and processed in the State of New York subject to the standards we’ve laid out.

Reuben McDaniels: Two questions: a lot is talked recently about packaging, trying to target kids and I know in this regulation we have something about packaging, can we get guidance on packing as we go forward in this program?

Chris Alexander: Absolutely so there are some labeling and packaging requirements here. The MRTA spells out some additional requirements that will be made by the Board in future regulation packages and gives the Board broad authority to restrict particularly types of advertising that are targeted towards young people for example. And moving forward in future Board packages for future regulation packages, we will be sure to address some of those concerns.

Reuben McDaniels: That is for the license fees how does that compare to other states _____________ (can’t hear).

Chris Alexander: Yeah, I mean it’s pretty on par with other states, particularly on the retail side. We tried to make sure that it was something that was easily accessible for the significant amount of retailers across the state who are currently selling CBD products as we try to get them into compliance. But we will continue to see how we can address that and lower that cost to make sure that we can get more folks into the program both on the producer and the processing and the retail centers.
Tremaine Wright: I wanted to ask, are there any changes in this version of the proposed regulations that differ from what was proposed previously by DOH, if you could just comment.

Chris Alexander: Yeah. Board Member Metzger highlighted one of the biggest changes throughout the document was making sure they conformed with the fact that this is no longer a program regulated by DOH, it’s not regulated by OCM so changing the department to the Office was the largest, substantively and then the other item was taking the effective data, as you highlighted as well to make sure folks come into compliance.

Tremaine Wright: Member Garcia.

Jessica Garcia: Yeah sorry, I just wanted clarity on this one piece: do the regulations allow for the sale of cannabinoids and CBD to be added to food and beverage products?

Chris Alexander: Yes, they do Board Member Garcia and this is actually going back again to one of the points in Board Member Metzger’s point presentation was that we’re adding those GMP requirements that these products are produced with specific GMP requirements that they are safe for consumption and so they have different levels of cannabinoids that they’re allowed in each whether its food and beverage products so the regulations will spell those out.

Tremaine Wright: Questions: Hearing no more, may I present resolution 2021-07 Notification of adoption of Cannabinoid Hemp Regulations. Is there any discussion related to the resolution? Can I have a motion to accept the resolution before us?

Adam Perry: I move.

Tremaine Wright: Board Member Perry. All in favor?

All: Aye.
Tremaine Wright: Unanimous and it passes. Moving on, during the first two meetings of our Board we’ve appointed staff at the OCM. Again, this is a key priority ensuring that we maintain momentum. The Board Members, before you is a package of potential hires representing key positions throughout OCM. These candidates have been recommended by our Executive Director and their résumés and bios have been shared with you. Without further ado, may I present resolution 2021-08 Affirming the staffing recommendations of the Executive Director. Is there any discussion related to the resolution?

Jen Metzger: We’re staffing up.

Reuben McDaniels: I have one general question, we have voted two packages already where are we in the process of getting those people working? (Very hard to hear not near mic)

Chris Alexander: It’s a rather lengthy process but thankfully we’ve gotten at least through the first package of hires, most of the signup that’s required and folks will have a start date as soon as next week. Some folks have actually started already coming from other government agencies so we kind of have a mixed bag of folks but hopefully to continue to have sign-off where folks can start within the next week or two.

Tremaine Wright: If there are no additional questions, may I have a motion to accept the resolution before us? So moved, do we have a second?

Adam Perry: Second.

Tremaine Wright: Thank you Adam Perry. All in favor?

All: Unanimous, thank you. No opposition, no abstentions. So resolution 2021-08 passes. Thank you. We will be delighted to have, this is going to be a tremendous lift to our team, we really appreciate the support and talent that they bring to the table. Now I’m going to turn the floor over to our Executive Director Chris Alexander to provide his Executive Director report.
Chris Alexander: Thank you Madam Chair. An update since our last Board Meeting, the sale of whole flower to start at a highlight point, the sale of whole flower to registered patients has officially begun. The team continues to review laboratory reports and approve new lots of product for sale at the RO dispensing facilities. To patients out there, please ask your local dispensing facility for the specifics of when to expect whole flower on their shelves. Some product is available currently as of last week and others are working to make it available as soon as possible. This changes quickly so the best bet is to continue communicating with that facility.

Next I’d like to go over guidance recently leased by the Department of Labor entitled The Adult Use Cannabis and Workplace document which aims to explain the nuances of New York Labor Law 201D and address some of the most common situations or questions in the workplace as it relates to this new world we live in. The MRTA amended section 201D of New York Labor Law to clarify that cannabis use in accordance with New York State law is a legal consumable product. As such, employers are prohibited from discriminating against employees based on the employees use of cannabis outside of the workplace, outside of work hours, and without use of the employers equipment or property. Employers do however maintain a right to take employment action or prohibit specific conduct as it relates to impairment on the job. One example, although please refer to the guidance for more detail, is that the employer maintains the right to take action if an employee exhibits signs of impairment that interfere with the employers obligation to provide a safe and healthy workplace as required by State and Federal Workplace Safety Laws. And to note, as similar with other areas of the new cannabis law, the smell of cannabis on its own is not evidence of impairment. It further explains the rules regarding drug testing of employees. For example, an employer cannot test for cannabis unless the employer is permitted to do so pursuant to the provisions of Labor Law section 201D4A or other applicable laws. An employer can drug test an employee if federal or state law requires drug testing or makes it a mandatory requirement of the position. This relates to certain safety sensitive positions such as truck drivers. Employers do maintain the right to prohibit cannabis use on the premise and during work hours just as alcohol and they may prohibit employees from bringing cannabis onto the employers property including leased and rented space, company vehicles, and areas used by employees within such property. Please refer to the link on the slide if you’re interested in more information and this info is available on cannabis.ny.gov on our site under the Adult Use tab.

Next, I’d like to provide an update on the Medical Cannabis Home Cultivation Regulations discussed at the most recent Board Meeting. The regulations are now posted for your review on the OCM website and they are open for public comment. As previously stated, the public comment period is now 60 days and will be open until January 18th, 2022. If you have any questions or comments on the proposed Regs you should direct them to Regulations@OCM.ny.gov or you can mail those comments to OCM at the address listed on the site. Additional update regarding the OCM website, in partnership with ITS, we have finally created a fillable form to allow municipal governments to provide opt-out details to the office. we’ve been trying to track this information so we are trying to make it easy for local municipalities to submit
it to the office. This will be essential for planning purposes of the office as the December 31st opt-out deadline is quickly approaching.

One final note for today, the Office is preparing for our first Educational Campaign. This campaign will be focused on educating the public about the seismic shift in public policy just as we heard in the update on employer/employee guidance, as cannabis is now legal in New York State does not mean it’s legal for everyone everywhere. While we work to develop this first campaign I wanted to continue to underscore key public health and safety messages. As we’ve discussed, the MRTA approaches legalization from the perspective of Public Health and want to continue to engage with the public about key aspects of the law and essential health and safety measures. Cannabis was legalized for adults only, like alcohol only adults 21 and older may possess and purchase adult use cannabis. Drive high get a DUI, cannabis can affect motor coordination and reaction time. It remains illegal to drive under the influence of cannabis. If an individual is driving impaired, it will result in a DUI. Safe Storage: all cannabis should be locked up and stored securely, kept out of sight away from individuals under 21 and from your pets. Lastly, cannabis is not legal everywhere. Since cannabis remains illegal federally it cannot cross state lines or international boarders in possession of cannabis. It is also illegal to possess and use cannabis on federal lands or property. Much more standards in the coming months and we look forward to having this conversation with you all. Thank you. Madam Chair.

Tremaine Wright: Thank you very much. Thank you all for participating today but I would like to please bring your attention to please note, the time, location and a length of live stream will be shared on the Office of Cannabis Management website in advance of an upcoming Cannabis Control Board Meeting. Again its cannabis.ny.gov. And as this concludes today’s agenda items, I want to thank everyone for their participation and we are now adjourned.
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