

CNMI Cannabis Commission
Regular Session Meeting Minutes
June 9, 2020

I. Call to Order

The CNMI Cannabis Commission was called to order by Chairwoman Nadine Deleon Guerrero at 10:36 a.m. on June 9, 2020, in the Commonwealth Casino Commission Conference Room, Saipan.

II. Roll Call/Determination of Quorum

Nadine Deleon Guerrero, Commissioner representing Saipan
Matthew Deleon Guerrero, Commissioner representing Saipan
Valentino Taisacan Jr., Commissioner representing Northern Islands
Journie Hofschneider, Commissioner representing Tinian (attending by GoTo Meeting)
Thomas Songsong, Commissioner representing Rota (attending by GoTo Meeting)
Joseph Deleon Guerrero, Special Advisor (SA) on Cannabis Industry for the Office of the Governor
Monique B. Sablan, Managing Director (MD)
Michael Ernest, Attorney General
Alexis Hofschneider, Senate Legislative Assistant (attending by GoTo Meeting)

III. Consideration and Adoption of Agenda

- Treasurer made a motion to adopt the agenda. Commissioner SongSong seconded. No discussion. All members were in favor, motion carried.

IV. Consideration and Adoption of Minutes of Prior Meeting

- Chairwoman made a motion to table the January 30th, February 6th, February 27th, March 5th, to the following meeting to allow time for members to review the minutes. Treasurer seconded it. No discussion. All Members voted in favor of the motion.

V. Public Comment

- SA, verified that there were no members of the public present; therefore, no public comments were made to the Commission.

VI. Old Business

1. Public Posting of Regulations

- Chairwoman discussed that no public comments were received after posting the regulations. Keisha Blaise (AG) advised Chairwoman that we can vote to adopt the regulations at the next meeting.
- Public Law 21-25 (by Marco Peter) was written to remove hemp from the Commission's authority that passed into law on May 18, 2020.
- Chairwoman asked AG Mike Ernest if when we receive questions from the public regarding hemp, do we direct them to DNLR. Mike advised

that he has not read the bills yet and prefers any questions to be submitted in the form of a LSR for AG's consideration.

- Vice Chairman discussed his thoughts regarding hemp: Legal hemp production, as it relates to the farm bill can only be operationalized if the applicant met USDA requirements which no one in the CNMI can currently meet because there is no testing facility. The Commission should be prepared that if a company wanted to do anything related to marijuana in the absence of a state plan, that it would be the Commission's jurisdiction (even if it is hemp marijuana). Without a testing facility we are not able to determine the THC content and there is no regulations or a plan governing either or so. In the absence of that it should be under the Commission's jurisdiction. We need a testing facility for DNLR to take the hemp component because it was built into the bill as such. Hemp licenses cannot be issued in the CNMI until a testing facility is available; however, they can apply for a commercial production marijuana/processor (CBD) license and choose to cultivate hemp. The application process would be the same until a testing facility was in operation and the Feds could take the process over.
- Chairwoman mentioned that there is a hemp production investor interested in applying; however, they are looking for ways to have the product tested by potentially hiring a lab in Washington to train employees in Saipan to perform the testing and analytics of the product. Another lab company is trying to partner up with a company wanting to sell CBD.
- Vice Chairman: in the interim, suggests we can do results certification for licensees; if you have a lab that has proper accreditation authority, we can accept them as tested.
- SA: if labs are going to be licensed, the regulatory body can determine what needs to be tested ie. Potency, mold, pesticides Labs will need to know what to test for. Recommended including minimum testing requirements in the regulations.
- Chairwoman asked MD to schedule a meeting with CHCC to discuss medicinal marijuana and testing.
- MD gave the update that Keisha will be meeting with the head of Criminal Division – Chester Hinds to raise questions pertinent to the Commission's enforcement authority. MD requested Keisha's assistance to develop a fee schedule and penalty matrix.
- MD touched on the educational component for the public; she has developed a presentation that focusses on the effects of cannabis, highlighting the effects on youth. MD spoke to the Drug Prevention Unit to ask what kind of information they give out (all online). DTF and law enforcement officers have offered their assistance to give presentations to PSS. Keisha is going to get back to MD regarding how the Commission can collaborate with law enforcement agencies and reinforce the collaboration through a MOA.

- Commissioner Songsong: regarding hemp, he read that the state need to provide the USDA its hemp plan, how it meets lab testing requirement and personnel requirement.
- Commissioner Songsong also raised that he saw a poster developed by CDCC or PSS that included alcohol and marijuana; the poster included information about marijuana hallucinations which Commissioner felt is debateable information. Chairwoman requested Commissioner to send a photo of the poster so it could be elevated to the appropriate agency.

2. Applications and Processing Map

- Secretary and MD are working on refining the applications.
- We have received feedback from AG regarding the drafts; Chairwoman requested that members need to review and provide feedback.
- Secretary gave an update regarding the Licensee Representative application form that she created; however, under Keisha's recommendation, we should not implement this form because it is not in the regulations and there is no fee schedule for this form. She advised that it would be sufficient to accept a power of attorney instead. Secretary feels that this should be written into regulations so that we have the authority to require an application to formalize approval of a licensee representative. Should a licensee change the licensee representative's authorities through a power of attorney, this would involve administrative work that would not be paid for. Secretary also mentioned that the Licensee Representative, as an option, could meet the residency requirement if a shareholder/partner/director/officer did not meet it.
- Vice Chairman suggested Secretary circulate the Licensee representative form so that members could come up with regulatory language regarding licensee representative.
- Commissioner Songsong agrees with the licensee representative form and would allow for business opportunities for individuals to become licensee reps.
- Secretary also created a Security Waiver; however, under Keisha's advisement, we do not have this written in the statute. The Commission can consider waiving certain security requirements on a case by case basis.
- Chairwoman requested Secretary develop the research certificate form; however, Secretary reminded that the regulations does not include specifically what we are looking for; therefore, we would have to develop it first.
- Vice Chairman asked how long it would be until we can vote on the applications; Secretary advised that it should be able to happen once members have reviewed them. AG reviewed it and had basic comments, nothing major. MD sent all Commissioners the applications for their review and feedback. Chairwoman advised she will put voting on the applications on the next meeting's agenda.

3. Website – Update provided by Chairwoman

- Chairwoman gave an update and advised that it is almost done. She is requesting photos for the website.
- She will try to have the website ready for members to review (soft launch) by next meeting.
- Chairwoman thanked the Commissioner that have already paid \$84 towards the website's annual fee.
- She advised that we will not be offering applicants to pay online due to low volume.

New Business

1. Director's Report

- MD provided an update regarding the Commission's financial status:
 - As of June 9 2020, in 1501 account (which is the Commission's basic operations and my personnel account) We have \$96,425. In the 1501 A account, we have negative \$90,290.
 - We have an office at Capital Hill that we will be able to move in to; however, it requires a lot of maintenance and cleaning. MD managed to procure items for free from networking. Ie. chairs and a conference table small conference table from the governor's office
 - There are four leaks in the roof, plumbing issues, power needs to be set up, all air conditioners need replacing, and the restroom is not operational.
 - Thanks to Treasurer Val for his NIMO team removing debris from the office.
 - MD is actively working with other agencies to see about procuring office equipment.
 - MD had an account created with Finance for application fees to be submitted to. She is meeting with them to ensure the payment certification is in line.
 - One of MD's concerns is security right now as the shutters are damaged and the office door was not able to lock; however, the door has now been fixed.
 - MD brought in a personal electrician to do a survey of the office space prior to CUC coming to the office to add power. There was one issue with an outlet that was of concern and it was removed.
 - For 2021 budget 1501 A is budgeted at \$222,215 and 1501 account is budgeted at 37,282 so our total budget for 2021 so far is \$259,482.
 - Secretary mentioned that the office originally provided by the Mayor of Tinian was no longer available due to budget constraints. Secretary will look into alternative solutions.
 - Chairwoman suggested to make a list of operational needs to bring to legislature for Friday's meeting with them.
 - Chairwoman asked Mike about the ITB process for the roof repair and asked MD to get the roof accessed.
 - MD met with HPO; they have a grant that will fix up all the Trust Territory buildings. The grant, if approved, will completely restore our

office for free. HPO mentioned that our office is a great contender to be a recipient.

2. AG's Office – Explanation on status of Open Comment Period

- Chairwoman advised that Keisha responded to our question regarding the 30-day comment period that occurred during COVID shut down.
- Mike Ernest: Advised for the Commission to have a meeting to adopt by June 26th The emergency regs started March 17th and they were valid for 120 days. Right now he said we have regulations in effect on an emergency basis, and proposed regulations that started on the 18th when they were published, because a 30 day comment period. Anytime after April 17th, we could have adopted them. If we adopt them anytime after July 5, there will be a lapse. The emergency regulations expire at the end of the 15th. We need to get them on an agenda and considered and adopted by your board at the latest by July 5th. With the assumption that the registrar will publish a special register. If we do it anytime before the 26th, there's time for processing in the ordinary course of business .
- Members discussed reciprocity between labs and licensees and the idea of accepting test results from states with defensible regulations such as Nevada and New Jersey.

Executive Session – in Keisha's absence, the Commission did not move into Executive Session this day. Chairwoman made a motion to table executive session to the following meeting.

Adjournment

Chairwoman Nadine Deleon Guerrero made a motion to adjourn the meeting at 12:51 pm on June 9, 2020; Treasurer seconded; no discussion, all members voted in favor of adjourning.