



**Cannabis Council
of Canada**

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November 9, 2019

The Right Honourable Justin Trudeau, P.C., M.P.
Prime Minister of Canada
Office of the Prime Minister
80 Wellington Street
Ottawa, ON K1A 0A2

Delivered via email to: pm@pm.gc.ca and justin.trudeau@parl.gc.ca

Ref: 43rd Parliament Ministerial Mandate Letters

Dear Prime Minister,

Congratulations on your re-election, and to the Liberal Party on its victory. The Cannabis Council of Canada looks forward to continuing to stand firmly with your government in keeping cannabis out of the hands of minors, helping to eliminate organized crime and creating jobs and opportunities for communities and Canadians across the country.

The Council is the national organization of Canada's licensed producers of cannabis under the federal *Cannabis Act*. With over 40 members, we represent approximately 90% of the legal industry which employs thousands of Canadians directly, and indirectly, nationwide. The Council's mission is to act as the national voice for our members in their promotion of industry standards; to support the development, growth and integrity of the regulated cannabis industry; and to serve as an important resource on issues related to the responsible use of cannabis for medical and non-medical purposes.

In advance of the selection of your Cabinet, and the subsequent drafting of ministerial mandate letters, we respectfully request that you consider the following elements for inclusion. These recommendations reflect our members' foremost regulatory and legislative pain points, and that which we deem imperative to our future success. The Council hopes to ensure that the 43rd Parliament achieves an appropriate balance in the marriage of government objectives and the operational realities of the Canadian cannabis industry.

To the Minister of Revenue and Finance:

- The Council recommends targeted direction and coordinated efforts to develop a national cannabis excise stamp. The current system of stamps designated for each province and territory has proven to be an expensive resource burden on the cannabis industry. A pivot to a national stamp would also help mitigate supply issues in smaller jurisdictions and allow license holders to flexibly move product where there is demonstrated and/or urgent demand.

To the Minister of Health, Finance and Revenue:

- The Council recommends the elimination of excise taxes on medical cannabis. The current regime presents serious barriers to access for patients and renders medical cannabis



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products unaffordable for lower-income Canadians. Additionally, while the price of legal cannabis is dropping it is still higher relative to illegal product. Accordingly, the Council recommends that the federal government work with their provincial and territorial colleagues to ensure that prices are structured in such a way as to ensure the eradication of the black market and the long-term success of the legal cannabis sector. Specifically, the federal government should look at whether the excise regime on adult-use cannabis, as well as HST or GST, is acting as a hindrance to the competitiveness of the legal market.

To the Ministers of Public Safety, Finance, Border Security & Organized Crime Reduction:

- To discourage the proliferation of illegal online cannabis dispensaries, we recommend the above Ministries work in collaboration with their provincial and territorial counterparts to increase enforcement, restrict access to youth, and remove competitive barriers to the legal cannabis industry. The latter can be achieved in partnership with Canada's banking sector to ensure legal cannabis businesses are given access to basic fiscal resources in order to grow their operations. Further, we recommend that the government prioritize the closure and removal of both illegal brick and mortar stores, and actively seek out and shut down illegal online cannabis dispensaries.

To the Minister of Innovation, Science & Economic Development (ISED), Health, Global Affairs, Trade, Small Business & Export Promotion:

- Earlier this year, the Treasury Board Secretariat considered the development of key principles related to efficiency and economic growth that would become part of the required analysis that regulators (including the cannabis industry's regulator, Health Canada) must perform as part of the regulatory development process. Among the questions asked of stakeholders, the following is relevant to Canada's medical cannabis industry: How should the Government measure the impact of regulation on competitiveness? What should regulators consider to achieve positive impacts on competitiveness and their regulatory objectives?
- In an effort to realize the existing potential for regulated cannabis products in European markets and beyond, the Council recommends the Ministries listed above work together to develop a comprehensive, commercial medical cannabis export framework for launch in the next 12 months.
- This framework would serve to ensure the Canadian cannabis industry's global competitiveness while adhering to the health and safety objectives of Health Canada.

To the Minister of Health:

- The Council recommends a review of Health Canada service standards, as it relates to timelines for license amendments and research applications, including ongoing delays in research license approvals for academics. This review should highlight key areas for improvement and tangible actions that could be taken to mitigate service delays and other issues.

Additionally, The Council will be seeking a half-day working meeting between senior officials in your office, the Privy Council and in departments referenced above, together with CEOs of member companies early in the new year. We believe this meeting is integral to ensuring the government understands the pressures and opportunities facing the industry. The Council believes a whole of government approach and engagement with the legal cannabis sector is integral to the success of this rising economic influencer in Canada. We hope you will ensure Deputy Ministers and other relevant senior officials from the above-noted departments are in



attendance as we believe an aligned strategy among industry and government is key to continued growth of this sector.

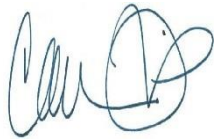
The Council looks forward to working with the Government of Canada to ensure that its objectives with respect to the regulated cannabis industry are upheld. The Council commits to making our representatives available to answer any questions or provide additional colour as required. Further, we would welcome the opportunity to share supplementary insights from across our membership at your convenience.

Once again, Prime Minister, please accept our congratulations on your re-election and our best wishes for your government's success. We thank you in advance for your diligent review and consideration of the above-noted recommendations.

Sincerely,



Megan McCrae
Chair of the Board, Cannabis Council of Canada



Cameron Bishop
Vice Chair of the Board, Cannabis Council of Canada

C.c.: Ms. Christine Donoghue, Deputy Commissioner of the Canada Revenue Agency
Mr. John F.G. Hannaford, Deputy Minister of International Trade
Ms. Laurie-Anne Kempton, Chief of Staff, Office of the Clerk of the Privy Council and Secretary to the Cabinet
Mr. Simon Kennedy, Deputy Minister of Innovation, Science and Economic Development
Dr. Stephen Lucas, Deputy Minister of Health
Mr. Mike McNair, Director of Policy, Office of the Prime Minister
Ms. Marta Morgan, Deputy Minister of Foreign Affairs
Mr. Paul Rochon, Deputy Minister of Finance
Mr. Ian Shugart, Clerk of the Privy Council and Secretary to the Cabinet
Ms. Katie Telford, Chief of Staff to the Prime Minister
Mr. Rick Theis, Policy Advisor, Office of the Prime Minister
Ms. Gina Wilson, Deputy Minister of Public Safety

