



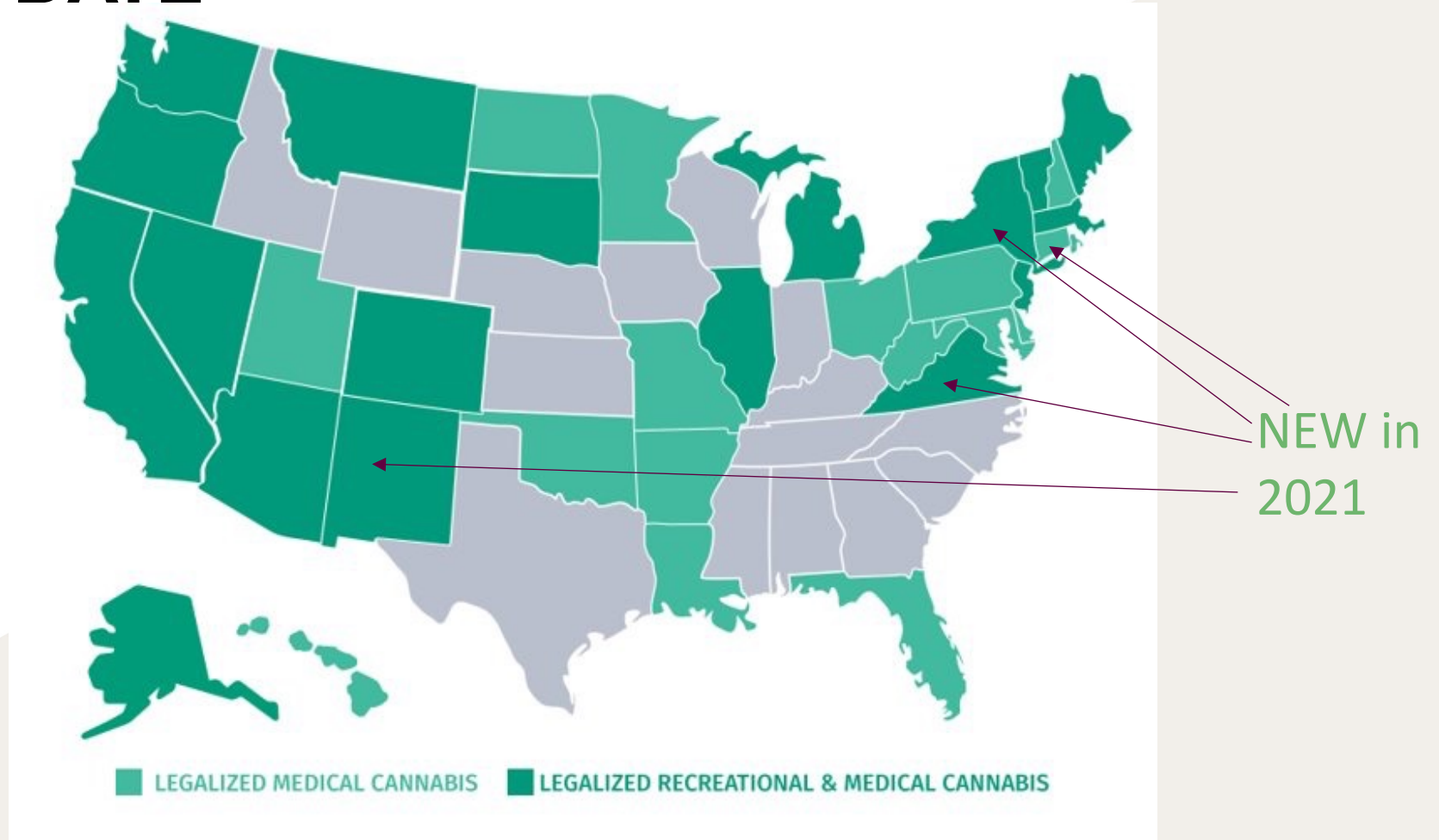
Cannabis and CBD-Infused Beverages

FEDERAL UPDATE

- Any federal legalization effort should include a robust regulatory framework that promotes public and consumer safety, market fairness, and allows the industry to function as well as the alcohol industry does.
- Senators Chuck Schumer (D-NY), Ron Wyden (D-OR), and Cory Booker (D-NJ) are working to advance comprehensive cannabis reform legislation this Congress.
 - Concerns: Extent of FDA regulatory authority; no express prohibition on interstate shipping without a permit; no federal permit for testing facilities
 - Draft legislation incorporates numerous WSWA policy priorities, including:
 - Establishing TTB as a primary regulator; creating a permitting structure for producers, importers, and wholesalers; creating an effective tax collection regime; implementing trade practice requirements; protecting states' rights to enforce their own laws; and creating public and highway safety measures.
- It's still unclear whether President Biden would sign adult-use legalization legislation, but he would be hard pressed not to do so if passed by Congress.
- SAFE Banking Act has passed the House of Representatives (again), but its fate in the Senate remains unclear.
- Various other legalization bills have been introduced (MORE Act, Common Sense Cannabis Reform Act)
- Wyden has introduced a stand-alone bill to clarify the legal status of hemp-derived CBD products, including drinks.



STATE UPDATE



STATE CANNABIS LAWS

- Are intrastate in nature
- Federal legalization will require a system to allow regulated, transparent, interstate sales
- WSWA Principles for Federal Oversight of the Adult-Use Cannabis Supply Chain provide a path forward.



1.

The federal permitting of cannabis producers, importers, testing facilities and distributors;

2.

The approval and regulation of cannabis products;

3.

The efficient and effective collection of federal excise tax; and

4.

Effective measures to ensure public safety

THE WSWA PRINCIPLES FOR FEDERAL OVERSIGHT OF THE ADULT-USE CANNABIS SUPPLY CHAIN ARE BUILT ON THE SUCCESSES OF THE FEDERAL BEVERAGE ALCOHOL REGULATORY MODEL.

