August 10, 2023

A/Director Communications and External Relations Liquor and Cannabis Regulation Branch P.O. Box 9292 Victoria B.C. V8W 9J8

VIA EMAIL:

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Dear Monika Laube

Promoting Consumption Spaces Engagement

On behalf of British Columbia's Alliance of Beverage Licensees' (ABLE) Cannabis Retail Store Licensee members, thank you for the opportunity to submit comments to the LCRB's Engagement Paper "Promoting Places to Consume Cannabis".

British Columbia's cannabis industry faces many challenges. High taxation rates, high licensing fees (particularly business licence fees), rising labour costs, and a still strong illicit market are all contributing to declining revenues. Our members report low levels of optimism for the future of their business specifically and the industry generally. A growing number of retailers are closing their stores and looking to exit the industry.

We note from the Engagement Paper that the LCRB is considering:

- 1. removing the provincial restrictions on promoting places to consume cannabis or spend time at after consuming cannabis, and
- 2. allowing people in B.C. to consume cannabis on a patio where smoking and vaping is already allowed under the *Tobacco and Vapour Products Control Act* and Regulation.

In preparing our comments, ABLE canvassed our membership through both a survey and direct conversations with many cannabis retailers. ABLE's members strongly support the LCRB making the changes proposed to the applicable provincial cannabis acts, regulations, and licensing terms and conditions to support the legal cannabis industry and tourism in B.C.

The Engagement Paper is seeking submissions focused on two questions. We comment as follows:

1. How would allowing the promotion of places to consume cannabis impact you?

Cannabis regulations both provincially and federally prohibit cannabis licence holders generally from promoting cannabis with very limited exceptions. Such restrictive

regulations, particularly in an emerging industry, make it difficult for licence holders to educate their consumers and differentiate themselves from the illicit market.

ABLE supports all initiatives to reduce or remove regulations and to allow cannabis licence holders more flexibility to responsibly promote cannabis. This includes the promotion of places to consume cannabis.

If licensed cannabis businesses were permitted to promote where cannabis may be consumed, this would provide more flexibility in communicating with consumers. This is another step toward them being able to compete more effectively with their illicit market counterparts, who do not comply with any restrictions on cannabis promotion.

The LCRB should ensure there are no provincial barriers to licensed retailers, producers, processors, and cultivators being able to responsibly promote where cannabis can be legally consumed.

2. What other factors about promoting places to consume cannabis should the LCRB consider?

ABLE does not have any specific comment about what other factors the LCRB should consider regarding promoting places to consume cannabis. ABLE encourages and supports the removal or reduction of any regulatory barrier that impedes the licensed cannabis industry's ability to compete with the illicit market.

As stated in the Engagement Paper, cannabis is not permitted to be consumed in cannabis stores. The LCRB is however considering permitted the consumption of cannabis where smoking and vaping is already allowed un the Tobacco and Vapour Products Control Act. ABLE considers this a positive first step to enable cannabis retailers, licensed producers, processors, and cultivators operating consumptions spaces. They already have detailed product knowledge, proven track records of regulatory compliance, and are ideally suited to extending their businesses to facilitate the consumption of cannabis in a safe and regulated environment.

Thank you for including ABLE as a stakeholder in non-medical cannabis regulations and policy and we look forward to continued collaboration.

Sincerely,

Nick Landells

Head of Cannabis Membership

ABLE BC