

**Testimony by Dennis Duval, COO, Acreage NY
Joint Public Hearing on Economic Development
9:30 AM, Tuesday, February 12, 2019
Legislative Office Building,
Albany, NY**

Good morning Chairpersons Kaplan, Schimminger and members of the committees. Thank you for the opportunity to testify regarding the Cannabis Regulation and Taxation Act proposed in the Executive Budget.

My name is Dennis Duval. I am the COO for Acreage New York. Headquartered in New York, Acreage NY is one of the ten Registered Organizations (or "ROs") providing medical cannabis to patients in this state. Our dispensaries are d/b/a The Botanist. Our four dispensaries are open, or will be opening, in downtown Buffalo; Jamaica, Queens; Farmingdale, Long Island; and in Wallkill, Orange County. Our cultivation facility is in Syracuse.

A native New Yorker, I am one of the original investors of this New York company and previously served as the Chief of Police in Syracuse for nearly three decades after moving upstate from Long Island to attend SU. After my time serving as Police Chief, I worked in government contracting and gained critical compliance experience. My law enforcement background coupled with my compliance experience in pervasively regulated industries gave me the expertise necessary to invest in the emerging and highly regulated cannabis industry. My background give me a unique perspective on the legalization and regulation of cannabis and how cannabis impacts patients, consumers, and communities.

In regard to legalization of adult-use cannabis, it is Acreage's position that the medical marijuana program must be protected and strengthened to support and serve as the foundation for any adult-use market. Indeed, every state that has implemented an adult-use marijuana program has used an existing medical marijuana program as the foundation for expansion into the regulation of adult-use cannabis. In our view, a successful adult-use cannabis industry provides adequate access to reliable, safe, and affordable products for recreational use while also providing affordable access to proper medicinal products for patients. Allowing ROs to participate in both medical and adult-use cannabis programs through colocation will bring costs for patients and consumers down while also providing access to experienced pharmacists trained to provide guidance on dosage, products, and side effects. Without colocation, patients in the medical cannabis program will naturally be drawn to the most cost-effective and accessible products and essentially self-medicate. With only four dispensaries per RO, the medical patients in New York are already lacking access.

New York's medical cannabis program is still relatively new and while some of the program is not fully implemented, the ROs have already received significant feedback that patient access needs to be improved, most notably the lack of dispensaries. Currently in New York, we have only one dispensary per roughly every 400,000 residents. We have the second lowest per capita footprint in the country second only to Minnesota.

We speak with many patients who are disheartened to see an active public discourse about an adult-use cannabis program in New York while they endure a lack of reasonable access to medical dispensaries. By strengthening the medical marijuana program, and expanding the number of medical dispensaries, New York also positions itself to implement an adult-use program that is safe, secure, diverse and well-regulated.

The Executive budget proposal seeks to further strengthen the medical program in New York by making it easier for physicians and patients to become certified for participation. However, there is more that could be done to improve New York's medical cannabis program. For example, ID cards for certified patients could be eliminated and any doctor that can write a prescription for opioids should be able to prescribe medical cannabis. Lastly, ROs should be permitted to open more medical dispensaries.

Acreage's priority is ensuring that New York's patients have accessible, safe, and affordable medical cannabis. However, should the state move forward to legalize adult-use cannabis, the ROs are well positioned to help implement the decision-makers' vision for the industry. Indeed, we agree that a successful cannabis industry is inclusive, diverse, and brings the economic and social benefits to all taxpayers and New Yorkers that are expected of businesses: jobs, opportunity, and community investment.

Furthermore, being among the first in the state to take an entrepreneurial risk on establishing a medical cannabis company, I personally know how difficult it can be to get access to the capital needed to get up and running. To that end, we applaud the legislature and Governor for making it a priority to set forth a regulatory framework that will empower and encourage a diverse adult-use cannabis industry. As one of the bigger players in the medical market, Acreage is prepared to help fund and invest in other New York entrepreneurs interested in joining the market.

To that end, the Governor's proposal presents several options for the new Office of Cannabis Management to utilize in raising funds for an incubator program to provide capital to new market entrants. While the Governor's proposal includes many options, we recommend that the law mandate a clear and unambiguous commitment from the ROs wishing to participate in the adult-use market. For example, ROs should commit a percentage of adult-use revenues to the incubator fund to ensure a constant funding source rather than a finite fund.

Thank you again for your time and consideration. I am happy to answer any questions you may have.