

Responsible Retailing of Recreational Cannabis

Recommendations to British Columbia's Cannabis Regulation Engagement Secretariat



ALLIANCE OF BEVERAGE LICENSEES
FOR A RESPONSIBLE LIQUOR INDUSTRY

Introduction

On behalf of British Columbia's Alliance of Beverage Licensees (ABLE BC), thank you for accepting our submission to the BC Cannabis Regulation Engagement process.

ABLE BC is the united voice of BC's private liquor industry, representing private liquor stores, neighbourhood pubs, nightclubs, and hotel liquor licensees. Our 1,000 members operate in every region of the province, directly employ nearly 100,000 British Columbians, and contribute over a billion dollars to BC's economy every year.

Throughout our organization's history, ABLE BC has been proud to work collaboratively with our provincial and municipal government partners to promote fair, transparent regulations and policies that encourage business investment amid a highly-regulated industry. We believe our decades of experience retailing a controlled substance safely, our proven track record of enforcing age-controlled environments, and our demonstrated history of complying with a rigorous enforcement and inspection regime make us uniquely suited to retail adult-use recreational cannabis in BC. We further believe that BC's existing liquor control and distribution systems are the most efficient and cost-effective way for BC to meet the federal government's July 2018 deadline.

In summary, we believe BC's liquor industry is ideally suited to meet several government objectives, including:

- Ensuring that legal, adult-use recreational cannabis is retailed safely in professional, reliable, age-controlled retail locations throughout BC;
- Ensuring that consumers have access to professionally trained staff who can help educate about responsible consumption, health implications, and potential side effects of cannabis and cannabis-infused products;
- Ensuring that we keep cannabis out of the hand of minors, and;
- Ensuring that we reduce the cannabis black market and disrupt organized crime.

Our commitment to safe, responsible consumption

British Columbia's mixed public-private liquor retail model is unique. With nearly 200 government-run "BC Liquor Stores" and 670 private-run liquor stores, BC is the only province in Canada to operate competing full-service government and private retail liquor stores. While our stores may compete for customers, we are united in our commitment to the principles of responsible beverage service.

Every single liquor store in BC takes their obligations as retailers of controlled substances extremely seriously and works diligently to comply with a rigorous set of provincially-mandated rules around licensing, minimum pricing, storage and handling, age verification, tax remittance, packaging, etc. We also comply with stringent municipal bylaws and policies regarding distances from schools or public parks, hour of operation, and zoning.

As you may know, every single person selling alcohol in British Columbia is required to be certified with Serving It Right—an industry-created responsible beverage service program administered by go2Hr. The course not only educates licensees, managers, and servers about their legal responsibilities when serving alcohol, it also teaches effective techniques to educate customers about alcohol consumption and problems related to intoxication.

Because of the vital importance of ensuring safe and responsible cannabis consumption, ABLE BC recently participated in a curriculum development process with Kwantlen Polytechnic University to develop guidelines for training future Cannabis Retail Consultants. Our goal is to help develop a training program that produces highly professional employees who can educate consumers about cannabis and cannabis-infused products and safe, responsible consumption of those products. Although we are prepared to enforce voluntary compliance in such a program among our members, we strongly recommend that government mandates that all retailers of recreational cannabis be certified.

Additionally, liquor stores already have proper safeguards in place to educate consumers about responsible consumption of controlled substances. It is common practice for liquor stores to run regular education campaigns and to provide in-store information on responsible consumption. Most recently, in partnership with BC's Liquor Control and Licensing Branch (the liquor industry's regulator), ABLE BC helped create mandatory public education material encouraging moderation and responsible consumption. These signs are displayed proudly in every single liquor store or other licensed establishment in BC.

Our commitment to protecting minors

Of all the regulatory requirements that liquor stores must comply with, none is taken more seriously than the duty to prevent minors from gaining access to alcohol. Accordingly, BC's liquor stores have invested heavily in systems and staff training programs to ensure that we are checking and verifying customer identification. Standard practice at all liquor stores is to ask for not one, but two, pieces of ID to ensure that every customer purchasing alcohol is of legal drinking age.

Our commitment to keeping alcohol out of the hand of minors is taken so seriously that the LCLB created a special inspection program focused exclusively on minors (Minors as Agents program). According to the LCLB's published statistics, the current compliance rate of private and public stores is 93 per cent. Health advocates have since noted that youth in BC have a harder time accessing alcohol than tobacco.

Given our collective desire to keep recreational cannabis away from minors, ABLE BC believes the government should set a legal minimum age of consumption of 19 years old. This is consistent with the long-standing age restrictions for alcohol, and in our opinion will help undermine demand in the black market.

Eliminating the black market and disrupting organized crime

One of the most important considerations of legalizing recreational cannabis is to gradually eliminate the illegal and “grey” markets that exist today. As we share government’s concerns on this matter, we are deeply concerned about the role organized criminal groups play in the current cannabis trade.

During a recent panel discussion on recreational cannabis at the annual BC Liquor Conference (October 23, 2017 in Vancouver), Curtis Robinson—a retired police officer and Chair of Vancouver’s Bar Watch program—offered a detailed summary of the persistent links between existing illegal dispensaries and organized crime. In brief, Mr. Robinson offered insights—based on his 35-year career in policing, including running numerous under-cover operations in Vancouver—that many if not most of the existing marijuana dispensaries throughout BC are deeply connected to organized crime groups such as the Hells Angels. Mr. Robinson concluded that, in his expert opinion, many existing unlicensed cannabis dispensaries are not only financing organized crime but they also represent a threat to public safety.

(For more details on this matter, please consult Mr. Robinson’s submission to this process, or the submission of the BC Association of Municipal Chiefs of Police.)

As responsible small business owners with proven track records of complying with BC’s liquor and tax laws and regulations, it is deeply troubling to contemplate that illegal businesses connected to organized crime, who are not paying appropriate business or payroll taxes, would be allowed to continue operating in the regulated professional industry we wish to help create.

We believe the most efficient solution to this problem is to use the existing licensing requirements of the liquor industry as a template for any cannabis licensing system. For example, every applicant for a liquor license must submit a detailed criminal background check and must declare any interests they maintain with liquor manufacturers.

Alcohol and cannabis

We would be remiss if we did not address concerns about the about co-consumption of alcohol and cannabis. As many health advocates have indicated, there is a legitimate need to educate consumers about the potential consequence of consuming controlled substances such as alcohol, cannabis, or tobacco.

Our research indicates that much of these concerns about increased consumption due to co-location or cannabis and alcohol are unfounded. According to the globally-respected Centre for Addiction and Mental Health located in Toronto, “there is no evidence as to whether selling cannabis and alcohol alongside one another encourage or facilitate co-use.”

Further, we believe that the best way to educate consumers about the potential side effects of consuming cannabis and alcohol simultaneously is by giving consumers access to trained and

certified staff in a regulated, professional retail environment. One of the most effective ways to educate consumers about potential risks is at the point of sale. BC's liquor stores are also uniquely suited to assist government in creating appropriate regulatory restrictions that ensure the health and safety of consumers. For example, it may be prudent to commence with a "store-within-a-store" model that creates an additional controlled point of access for consumers.

Conclusion

BC's existing liquor stores have a proven track record of delivering controlled substances to British Columbians safely, thanks in large part to a highly-regulated licensing and distribution system, professionally trained staff, responsible marketing communications, and sincere connections to the communities where our businesses operate in. British Columbia is our home too, and we want to make sure our children are protected, and that all controlled substances—whether alcohol or cannabis—are distributed safely.

The legalization of adult-use recreational cannabis is one of the most important and significant public policy decisions since the legalization of alcohol nearly 100 years ago. Now as then, there are necessary public debates happening surrounding the appropriate retail framework, public consumption, risks of intoxication, taxation, etc. While we expect many of these debates to continue in the year ahead, we believe BC's liquor system offers government an efficient, cost-effective, practical, and responsible way to meet the cannabis retail needs of British Columbians ahead of the federal government's July 2018 timeline.

Thank you again for accepting our submission and considering our recommendations on the future of recreational cannabis retailing in BC. If you wish further details on any of the points contained herein, please do not hesitate to contact ABLE BC's Executive Director, Jeff Guignard, at jeff@ablebc.ca or (604) 688-5560. Alternatively, you may also wish to consult our more detailed recommendations submitted to the federal Task Force on Cannabis Legalization and Regulations. Those recommendations are available on the website of the Responsible Marijuana Retail Alliance of BC, a partnership between ABLE BC and the BC Government and Service Employees Union, at www.responsibleretail.ca.