

Testimony of Groundworks Operations
Geoff Sugerman

RE: OLCC budget request

Members of the Ways and Means Subcommittee

Thank you for the opportunity to share some of my experience in working with the OLCC on cannabis licensing and compliance issues. Over the past 15 months, Groundworks has been able to receive 7 OLCC licenses for processing, production and retail sales.

First I want to commend the staff and licensing inspectors at the OLCC for their exceptional work this past year. With twice as many applications as expected, and a steady stream that is still coming in the door today, these inspectors have been competent, gracious, helpful, patient and professional in all of the dealings I have had with them. From Director Marks on down it has been a challenging, exciting and ultimately rewarding experience.

Now, as we turn our attention to compliance issues, we must not forget we still have many licenses in the hopper, licenses that need to be processed in a timely fashion to ensure the health and security of our legal system. At the same time, we need compliance specialists who understand the seed to sale tracking system and can work with us on successfully meeting the requirements of this system.

I am told that right now many of our current license inspectors are at DPSST training preparing to switch to compliance, and will be gone at training for six weeks before returning to take on compliance activities. And I am also told that the licensing process may slow down significantly if there are not sufficient personnel numbers in place to handle both of these difficult and time consuming duties.

This new cannabis industry has grown far faster than expectations by any measure. Taxes paid, license applications, numbers of employees, and overall participation by those who want to be part of this new industry. The number of participants in this industry separates us from other states where far too many of those who had participated in the medical market were essentially forced out of the legal market in their states. That we did not do this in Oregon makes our system stronger, but also quite a bit larger in terms of licensees.

Because this growth was so much greater than anticipated it has already strained the system. And while the OLCC has been able to plug holes, it is clearly necessary that they have the personnel, both for our own state purposes and to ensure compliance with the Cole memo and federal law, that we have a robust regulatory system in place.

For these reason I support the OLCC request for new personnel and urge the committee to work with them on the proper staffing levels to ensure that no one is left behind in licensing and that we have the necessary resources to ensure compliance at all levels of the industry.

Thank you.