

From: Les Helgeson [<mailto:les@greenhillslc.com>]
Sent: Wednesday, May 10, 2017 9:18 AM
To: rep.annlininger@state.or.us
Cc: allan.vanvliet@state.or.us; sen.ginnyburdick@state.or.us; Rep Gomberg
<rep.davidgomberg@state.or.us>
Subject: HB 2198 -14

Rep. Lininger:

I am writing to request you support the -14 amendment to HB 2198.

My wife and I have applied for an OLCC producer license but will continue to grow medically for ourselves. Legal advice suggests we may be able to provide for certain existing patients if we gift some of our own allotment to them. Our goal is not to game the system but help some patients in need without the absurd technicalities and logistics of the so-called "bump-up" rules.

Up until recently, we provided unique and high quality surplus flower (and concentrates prior to rule changes last October) to a couple of dispensaries who have since become licensed by OLCC. Many more wished they had access to our product but demand has far exceeded supply despite recent construction of a state of the art micro-production facility.

At last count I see all but 71 dispensaries have made the change to OLCC so we have been effectively forced into the system sooner than we anticipated. Technically, HB 2198 would have little direct impact upon us but we remain very concerned about where the system is headed.

Our OMMP produced product(s) regularly sold out at retail within a couple of weeks, which attests to the quality we produce. These outlets are anxiously awaiting our return to the market since they have been subject to price gouging and strong arm tactics to raise prices by many current OLCC licensed businesses. Product quality is also a major issue since it is unmistakably clear that profit comes before quality and customer service.

An alarming number of investor driven "chain stores" are also opening up in the oddest places attempting to force long time local establishments out of business. Three such operations have opened in the City of Tillamook alone, where the number of cows is famously known to outnumber people.

The market operated smoothly until Jan. 1 when OLCC licensees were granted a monopoly over a functional system that had been in existence for many, many years. Folks, like my wife and I, were suddenly elbowed out of the market since agency expectations and predictions were once again woefully inaccurate.

Unfortunately, most OMMP growers don't have access to the resources necessary to fully comply with the overly "robust" and excessively redundant OLCC security requirements. While these costs may appear small relative to the overall cost of infrastructure, they are nonetheless overly burdensome, if not prohibitive, for those without outside investors. Thus, growers who once supported legitimate businesses with the highest quality product have no where to turn but the black market which is arguably the biggest threat to the legal system - and thus our own viability.

Claims of potential market flooding are a strange fantasy akin to the stated excuse for firing the FBI Director. In fact, the market has been flooded already - with garbage selling for inflated prices that further strengthens the black market, decreases consumer choice and causes undue hardship for thousands of people who had legitimately engaged in the system for decades.

Please support HB 2198 -14 as written so long as registered OMMP growers can otherwise demonstrate compliance with local regulations and water right requirements. Again, my wife and I have been forced into the OLCC system but are fortunate to have been able to come up with the necessary resources to do so.

This bill lends badly needed assistance to those who are not as fortunate.

Thank you very much for your critical support.

Best Regards,

Les Helgeson
Green Hills LLC