



Report of the New Brunswick Working Group on the Legalization of Cannabis

June 2017





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Table of contents

Introduction.	1
Federal – provincial jurisdictions.	2
Overview of Bill C-45.	2
Possession and use of cannabis	2
Illegal activities.	2
Restrictions on advertising, promotions and packaging.	2
Commercial production	2
Retail of recreational cannabis	2
Protection of public health and safety	3
Edible cannabis products	3
Overview of Bill C-46.	3
Lessons learned from Colorado and Washington states	4
Proposed recreational cannabis model for New Brunswick	5
Retail model	5
Rationale for a Crown corporation model	5
Corporate social responsibility (CSR).	6
Revenue and expenditure	7
Legal age	7
Public safety	7
Penalties for youth	8
Consuming in public.	8
Impaired driving	8
Impairment at work	8
Public health.	9
Reducing harms and risks	9
Education and awareness	9
User awareness and potency	10
Economic opportunity	11
Next steps	12
Appendix	13

Introduction

In 2015, the Government of Canada committed to legalizing cannabis, ending its 90-year prohibition in Canada. At that time, the Government of New Brunswick began planning for how this could be implemented in this province. On the one hand, the provincial government recognized that the legalization of cannabis presents an economic opportunity with the prospect of increasing the number of cannabis producers and associated industry in New Brunswick. On the other hand, it recognized the need to balance the economic potential presented by legalization with public health and safety concerns, including issues such as legal age, impaired driving and addiction.

The federal government created the Task Force on Cannabis Legalization and Regulation, which released its report, *A Framework for the Legalization of Cannabis in Canada*, in December 2016. The report presented more than 80 recommendations based on research and extensive consultations across the country.

On April 13, 2017, the federal government tabled the *Cannabis Act (Bill C-45)* and *An Act to Amend the Criminal Code (Bill C-46)*. As proposed, Bill C-45 largely follows the recommendations of the task force report decriminalizing cannabis and providing for the federal government to continue licensing producers, just as it licenses producers for the medical market. This leaves the sale of recreational cannabis (non-medical) and related public health and public safety responsibilities to the provinces and territories. As proposed, Bill C-46 creates new offences for impaired driving (impaired by cannabis) and overhauls the transportation regime to modernize, simplify and strengthen the approach of the *Criminal Code* to impaired driving for alcohol and cannabis.

The federal government also announced its plans to have the two acts come into force in July 2018. This gives the provinces and territories slightly more than one year to implement the required distribution model and related public health and safety regimes. Should any province or territory fail to implement a distribution model by that date, its residents will be able to buy cannabis online and have it delivered by mail or courier. There would be no revenue to the province or territory under this model.

This report proposes a model for what a legal cannabis industry could look like in New Brunswick. The proposal reflects the recommendations of the New Brunswick Working Group on the Legalization of Cannabis as well as a number of government departments, agencies and stakeholders who made presentations to the working group. For a complete list of contributors and membership of the working group, please refer to the appendix.

In April 2017, the provincial government introduced a motion in the Legislative Assembly of New Brunswick to establish a select committee to conduct public consultations on cannabis legalization. In accordance with the mandate given it by the legislative assembly, the select committee is asked to seek input from New Brunswickers on whether the proposed model needs improvements.

Purposes of the Cannabis Act (Bill C-45)

The purpose of this Act is to protect public health and public safety and, in particular, to

- *protect the health of young persons by restricting their access to cannabis;*
- *protect young persons and others from inducements to use cannabis;*
- *provide for the licit production of cannabis to reduce illicit activities in relation to cannabis;*
- *deter illicit activities in relation to cannabis through appropriate sanctions and enforcement measures;*
- *reduce the burden on the criminal justice system in relation to cannabis;*
- *provide access to a quality-controlled supply of cannabis; and*
- *enhance public awareness of the health risks associated with cannabis use.*

Federal – provincial jurisdictions

Through Bill C-45, the federal government is setting the framework for legalization and providing authority to the provinces and territories for the sale and distribution of recreational cannabis. While the act sets limits, such as

minimum age or maximum possession limits, the provinces and territories are able to work within those limits without going beyond them.

Overview of Bill C-45

Possession and use of cannabis

- Must be 18 or older to possess cannabis, but the provinces and territories can set a higher age.
- Adults (18 and older) may possess up to 30 g of dried legal cannabis in a public place. Adults may also distribute, or share, cannabis with other adults, but not sell. Provinces and territories can set a limit lower than 30 g.
- Adults may grow up to four plants per household to a maximum height of 100 cm. Provinces and territories can reduce the number of plants, reduce the maximum height and limit where or how it can be grown on one's property.
- Except for licensed commercial producers and personal use, cannabis cannot be sold or distributed, exported, imported or grown.

Illegal activities

- It will not be a criminal offence for youth (17 and younger) to possess or distribute up to 5 g of cannabis. This prevents youth from entering the criminal justice system, but provinces and territories are encouraged to make this a provincial offence (e.g., a fine).
- There will be strict criminal penalties for anyone operating outside of the legal system.
- Minor offences (e.g., carrying more than 30 g but less than 50 g of cannabis) will carry a \$200 fine.

Restrictions on advertising, promotions and packaging

- Advertising and promotion of cannabis, accessories, etc. is prohibited except in very limited circumstances (much like tobacco):
 - Cannot be appealing to youth;
 - No false, misleading or deceptive promotion (health claims, glamorous way of life, etc.);
 - No sponsorships or endorsements (no health claims);
 - No depictions of a person, celebrity, character or animal.
- Packaging and labelling restrictions similar to tobacco:
 - Not appealing to youth;
 - No false or misleading information;

- The tetrahydrocannabinol content (THC – the psychoactive ingredient in cannabis) must be clearly labelled;
- No lifestyle elements or branding (must use plain packaging and health warnings).
- Restrictions on the display of cannabis and cannabis accessories at the point of sale.

Medical cannabis in Canada

- First legalized in 1999.
- Available only with a medical prescription.
- 70,000 Canadians have prescriptions.
- Can only be purchased through mail order.
- Can grow your own with a Health Canada permit. Amount allowed to be grown depends on the individual's daily dose. Can designate someone to grow it for you.
- Authorized under the [Access to Cannabis for Medical Purposes Regulations under the Controlled Drugs and Substances Act](#).
- The medical cannabis regime will continue to operate in parallel to the recreational cannabis sector.

Source: Health Canada

Commercial production

- Health Canada will license cannabis growers and provide oversight to the cannabis supply chain.
- As it does with medical cannabis, Health Canada will continue to license the commercial production, import, export and sale of cannabis.
- Licensed producers can grow and sell product for both the medical and recreational markets.

Retail of recreational cannabis

- Provinces and territories are given the authority for the sale of recreational cannabis. This enables them to determine their own regime for distribution and retail as well as the regulation and inspection of those outlets.

- Cannabis products cannot contain nicotine, caffeine or alcohol.
- Retailers must follow record-keeping requirements (e.g., demonstrate that all product is sourced from licensed producers; due diligence in avoiding sales to youth).

Protection of public health and safety

- Health Canada may establish a national seed-to-sale tracking system for cannabis.
- The *Non-smokers' Health Act* will be amended to prohibit the smoking and vaping of cannabis in regulated places, similar to the restrictions in place for tobacco

smoking. New Brunswick changed its *Smoke-free Places Act* in the fall of 2016 to extend its provisions to the smoking and vaping of cannabis, as well as tobacco products.

Edible cannabis products

A notable exception is that Bill C-45 does not address the wide field of edible and drinkable cannabis products. This is a more complex area. The federal government has indicated its intent to introduce legislation around edibles soon after Bill C-45 is proclaimed.

Overview of Bill C-46

The *Criminal Code* will be amended to include the following:

- Authorize police to use roadside drug screening devices for impaired driving. These devices will test saliva for the presence of THC, cocaine and methamphetamine. Officers can demand a saliva sample on “reasonable suspicion of drugs in the body” (based on behaviour, scent, appearance of eyes, etc.).
- Where a driver tests positive, police can demand a blood sample or a drug recognition expert test. Provinces and territories will have the option of imposing short-term driver licence suspensions on such drivers.
- For any driver found with more than 2 ng/ml but less than 5 ng/ml of THC in his or her blood, it will be a criminal offence with a maximum fine of \$1,000. Provinces and territories will have the option of imposing licence suspensions on conviction.
- For any driver found with more than 5 ng/ml of THC, or with more than 2.5 ng/ml of THC in combination with a blood alcohol content (BAC) greater than .05, the same penalties will apply as for a driver with a BAC greater than .08.

United States

- Cannabis is illegal for retail sale at the federal level but is fully legalized in two states (Colorado and Washington). Cannabis is legal to varying degrees in numerous other states.
- In January 2017, recreational cannabis became legal in Maine:
 - Legal age of 21.
 - Can possess 2.5 ounces (71 g).
 - Retail begins in February 2018.
 - No public consumption.
 - Can have six mature plants, 12 immature plants and unlimited seedlings.

Canadian cannabis industry

- Commercial production legalized in 2013.
- There are 43 licensed producers in Canada, including one in New Brunswick.
- Licensed producers can sell dried or fresh cannabis, cannabis oil, and starting materials (seeds or plants) directly to medical prescription holders by mail or courier.
- Licensed producers sell tested, quality-controlled product with identified levels of THC and cannabidiol (CBD).
- Licenced producers currently grow enough cannabis to supply the medical market.
- There are no legal storefronts (dispensaries, compassion clubs, etc.). These operations are illegally supplied, and they provide products that are unregulated and may be untested and unsafe.
- Canadian licensed producers can import cannabis and starting materials from Uruguay.

Source: Health Canada

Uruguay

- The first, and still the only country, to legalize cannabis fully (2013). However, Uruguay has still not set up the planned state-run distribution system. The country recently announced it will set up distribution through pharmacies, and until then the public can continue to legally grow their own (six plants) or as part of a club (99 plants). Each user must register with the Minister of Health and is restricted to buying 40 g per month.

Lessons learned from Colorado and Washington states

Recreational cannabis was made legal in Colorado and Washington states in 2012 with retail sales beginning in 2014. The following are some of the key lessons identified through research. It should be noted that both states also legalized edibles, which is not yet part of Bill C-45. Edibles often contain three to 20 times the THC concentration recommended for intoxication.

- **Reduce normalization:** Although consuming cannabis in public was made illegal, it is still happening and is contributing to normalization. Also, the high number of stores makes cannabis very visible and a more normal and accepted activity. Both states recommend a more controlled retail and sales distribution model. Washington has 735 retail cannabis businesses and Colorado has 940, more than McDonalds and Starbucks combined.
- **Prevent commercialization:** Colorado and Washington recommended having tight control over advertising and promotion. Some products such as candies and brownies, or products in candy-like packaging, can be attractive to youth and increase the risk of youth consumption. They also noted that the availability of the product has a direct effect on consumption.
- **Prevent use by youth:** Youth are at a high risk of negative effects of cannabis use, especially in youth who engage in regular or heavy use. The lessons learned were to control the marketing and promotion of cannabis; and to start education and prevention prior to legalization. The data collection for this group (e.g., school-based surveys) is important to assess legalization. Colorado youth reported a 20-per-cent increase in their monthly use of cannabis in the two years after legalization.
- **Control product formats and potency:** Colorado and Washington identified gaps in the consumer awareness about the effects of using cannabis in different formats and with different levels of THC. In Colorado in 2014, there was a 29 per cent increase in the number of cannabis-related emergency room visits and a 38 per cent increase in the number of cannabis-related hospitalizations due to intoxication, burns, vomiting and eating edible cannabis among children. Cannabis-related traffic deaths accounted for 20 per cent of all traffic deaths in 2014 compared to 10 per cent five years earlier.
- **Align the medical and recreational regimes:** When the new recreational rules were introduced in addition to the existing medical regulations, a system of dual standards was created. For example, the use of recreational cannabis has an age limit; however, youth may use medical cannabis.
- **Invest in effective implementation:** The changes required to prepare for legalization cannot be underestimated. The jurisdictions needed to invest in the development of a framework that included the engagement of stakeholders, data collection and the time to train and resource various agencies appropriately (i.e., law enforcement, health care, product sales).
- **Curb illegal market activities:** Both states reported that legalization has not diminished the illegal market. In fact, some illegal activities are able to hide among the legal operations.

Proposed recreational cannabis model for New Brunswick

The following describes what a recreational cannabis retail model could look like in New Brunswick. These recommendations on the retail model were informed by research and feedback from stakeholders.

Under Bill C-45, the selling of recreational cannabis is placed under the authority of the provinces and territories. The Government of New Brunswick can customize the retail model for the province. While the retail model established in each jurisdiction will be subject to minimum federal conditions, to oversee the safe distribution and sale of cannabis in their own jurisdictions, the provinces and territories will be responsible for selecting a retail model, a regulatory framework for compliance and enforcement activities, minimum age requirements, restrictions on places where cannabis may be consumed and traffic safety laws.

In anticipation of the impending legalization, the provincial government and the New Brunswick Liquor Corporation began developing options in 2015. The work included extensive consultations with jurisdictions where cannabis was legalized; participation on a federal /

provincial / territorial committee; and analysis of options open to New Brunswick for the retailing of recreational use of cannabis. One of the lessons learned from Colorado and Washington was that the retail model should begin small and be strictly controlled. It was suggested that this is the most effective way to combat the illegal market, control access and to get the legal industry up and running. Three retail models were considered:

Public model	Government-operated stores analogous to the New Brunswick Liquor Corporation. Products would be sold in stand-alone retail outlets apart from current liquor outlets.
Private model	Private businesses licensed by the provincial government to operate. The provincial government would establish a licensing, compliance, inspection and enforcement program.
Mixed public / private model	Much like the current liquor model, cannabis sold at both government-controlled stores as well as through private businesses.

Retail model

The working group considered a number of key perspectives including: public health, youth protection, security and risk management, enforcement, compliance and control, cost as well as revenue and economic development opportunities. Weighing these factors in consideration of the July 2018 implementation date, the working group has concluded that New Brunswick interests would best be served by a provincial Crown corporation-operated retail model. It is recommended that a new Crown corporation be established with the mandate to sell recreational cannabis in the province. This

corporation could be a subsidiary of the New Brunswick Liquor Corporation in order to share expertise and maximize efficiencies.

It is envisioned that retail operations will be limited to cannabis and associated products in separate locations from liquor and will be strategically placed away from areas frequented by youth (schools, parks, playgrounds, sports fields / arenas). Further restrictions could be applied, limiting the number of stores, limiting the hours of operations and not permitting youth in retail areas.

Rationale for a Crown corporation model

The working group chose the Crown corporation model as the preferred option to regulate and sell cannabis in New Brunswick for the following reasons:

- **Public health:** the Crown corporation model is strongly preferred by health officials as it provides the highest level of control;
- **Protection for youth and control of access:** provides the best opportunity to protect youth and control access to adult users;

- **Security perspective:** it provides the highest level of oversight to reduce involvement of organized crime and to manage the risk of product diversion;
- **Flexibility:** allows for a timely, secure retail launch, and at the same time, allows for future flexibility for the retail model to respond to market changes and consumer demand;
- **Education and awareness:** provides an opportunity to fully support education and responsible use awareness at the point of sale;

- **Corporate social responsibility:** provides the best opportunity to establish and implement a corporate social responsibility (CSR) focused retail environment and relationship with licensed producers;
- **Experience:** the New Brunswick Liquor Corporation has extensive experience in retailing a controlled substance and has systems in place to support the retail environment for recreational cannabis;
- **Cost:** the Crown corporation model is the least costly way to ensure retail compliance and enforcement;
- **Revenue:** ensures that all provincial tax and/or mark-up revenue remains in the province;
- **Competitive:** allows flexibility for regulated sales to compete with and put pressure on the illegal market;
- **Timeliness and market readiness:** most likely to meet the July 2018 timeline given the legislative and operational requirements that will preclude online sales from producers outside New Brunswick and any resulting revenue diversion to other jurisdictions; and
- **Nimbleness to new markets:** a Crown corporation model is poised to adapt quickly to new value-added cannabis (e.g., edibles) products as they are approved by the federal government and introduced to the market.

The retailing of regulated cannabis is new in Canada. It is possible that, as experience in dealing with the sale of recreational cannabis is gained, it will be feasible to safely expand the retail footprint (analogous to the liquor model expansion to the agency store model). The Crown corporation model will be best positioned to ensure public

safety, to restrict youth access, to reduce involvement of organized crime and to empower law enforcement.

Most stakeholders who presented to the working group strongly supported a government-controlled retail model, and some were open to the eventual expansion to include private retailers and allowing licensed producers to retail. The New Brunswick Medical Society and policing agencies recommended that cannabis be sold in separate stores (apart from alcohol). Licensed producers were worried about private retail and the continuation of illegal market products finding their way on to shelves. It was also suggested that a government retailer might give preference to New Brunswick-grown product.

Several stakeholders cautioned of the need of educated frontline staff that will be selling cannabis. Staff will need to help consumers understand potency, forms of use and the effects of use. Stakeholders also recommended that there be no discount pricing or volume discounts for cannabis products, and that the provincial government limit the amount of THC and promote lower level THC products.

When Colorado and Washington legalized cannabis, they moved directly to a private delivery model that resulted in a large number of private cannabis businesses. These states have since found it difficult to impose regulation on this private sector and keep out the illegal market. Government-controlled retail could also prevent stores from being set up in lower-income areas or vulnerable communities as experienced in Colorado and Washington.

Corporate social responsibility (CSR)

With the launch of a new commercial venture comes the opportunity to establish a CSR approach to a government enterprise; in this case, the embedding of corporate social responsibility principles in the retailing of cannabis at the inception of the program. The provincial government does not have any choice in authorizing the sale of cannabis within its borders; however, it does have a choice in the manner in which that activity will be conducted. The working group believes that CSR principles should be used as the basis of the corporate approach in the New Brunswick model for the retailing of recreational cannabis. These guiding principles, among others, include:

- **Responsible retailing practices:** ensuring well-trained staff, appropriate product merchandising, providing point of sale responsible use information, appropriate packaging and a high level of product control;
- **Financial and environmental sustainability:** balanced pricing to meet program objectives, awareness of program cost efficiencies and retail practices that reflect environmental best practices;

- **Fair, transparent and accountable business practices:** regular reporting on key metrics that measure program elements and meet reporting requirements of the federal government;
- **Strategic partnerships to support harm reduction programs:** ensuring that those who are part of the industry contribute to the corporate social responsibility effort;
- **Responsible innovation:** ensure that as the industry grows, retail practices continue to reflect best practices in the delivery of a responsible recreational use model; and
- **Customer respect and responsiveness.**

Revenue and expenditure

Discussions are ongoing with the federal government and other provinces to coordinate taxation regimes in a way to prevent continued viability of criminal elements in cannabis marketing. New Brunswick intends to follow

the national consensus in the near term. With legalization, there will be increased government expenditures in the areas of administration, compliance, enforcement, health care and education and awareness.

Legal age

Bill C-45 sets a minimum age of 18 for the possession and consumption of cannabis. Although 18 is to be the minimum legal age in Canada, the provinces and territories can set a higher age limit. Some provinces are leaning toward harmonizing the age with their legal age for alcohol and tobacco, which is 19 in New Brunswick.

Deciding how old someone has to be to buy and use cannabis requires thoughtful consideration of the benefits and risks of the various options such as the health risks for children and youth, illegal markets and harms associated with unregulated cannabis products, and the ease of implementation and enforcement.

Four minimum age options were considered by the working group:

18 years old	The federal government and the Canadian Task Force on Cannabis Legalization and Regulation have recommended that the national minimum age for cannabis use be 18. This is younger than New Brunswick's minimum legal age for the purchase of tobacco and alcohol and lower than the legal age of majority (age 19). This would make it difficult to implement and enforce. Medical experts would not support this minimum purchase age because of the health risks for youth.
19 years old	In New Brunswick, the legal purchase age for alcohol and tobacco is 19. Having the same minimum purchase age for these three controlled substances is thought to be easier to implement and enforce. Additionally, it is known that young people between 18 and 24 are the highest users of cannabis. If the minimum legal age to purchase cannabis were greater than 19, young people would likely use the illegal market to access it. This would go against one of the main reasons for legalizing cannabis, which is to eliminate the illegal market and the harms associated with an unregulated product.

21 years old	Medical experts report that youth are at a high risk of negative physical and mental health outcomes and that this risk remains high until the brain is fully developed at age 25. This evidence suggests New Brunswick could restrict access to cannabis by setting the minimum legal purchase age at 21 to protect the healthy development of youth. However, some would say that setting a minimum age of 25 is unrealistic and would likely support an illegal market and "cross-border shopping" as under-aged youth attempt to access cannabis. Therefore setting a minimum legal age of 21 could balance the risks of setting the minimum age too low (18 or 19) versus too high (25).
25 years old	Regular, heavy cannabis use by youth can cause harm to a developing brain, which is not fully developed until the age of 25. Selecting a minimum legal age of 25 would help protect the healthy development of youth and it would support consistent messaging about the harms for youth. People younger than 25 who choose to use cannabis would very likely access the product by "cross-border shopping" or the illegal market.

There is no right answer when deciding how old someone should be to buy and use cannabis. Balancing the serious risks to a young person's health with eliminating illegal markets and "cross-border shopping" is a challenge with which all the provinces and territories are dealing.

The Canadian and New Brunswick medical societies recommend 21 as the minimum age for recreational cannabis. Policing groups recommend harmonizing with alcohol and tobacco and other provinces (19). The legal age in Maine is 21, which matches its age for alcohol.

To balance public health and public safety, and to harmonize with the legal ages for alcohol and tobacco, the working group recommends age 19 be set as the legal age in New Brunswick. This is also the age of adulthood in New Brunswick under the *Age of Majority Act*.

Public safety

Possession limits and growing at home

New Brunswick has the option to reduce the limits imposed by Bill C-45 on the amount of cannabis an adult can legally possess outside the home (30 g) and on the personal cultivation of cannabis (four plants per

household, maximum 100 cm per plant). Lowering the personal possession amount from 30 g will have little or no effect on public health or safety or on the illegal market. Accordingly, the working group recommends leaving the personal possession limit at 30 g.

Reducing the amount that may be grown at home is similarly not likely to have an impact. However, the working group proposes regulating the cultivation of cannabis for personal use, for example by:

- Requiring that cannabis grown at home must be kept secure, inaccessible by children or the public.
- Providing that a “household” includes a housing unit that has bathing and kitchen facilities (and therefore excludes a room in a rooming house or in a university residence building or other shared living spaces);

- Affirming that landlords are free to prohibit the cultivation of cannabis in rented premises in a lease agreement; and
- Prohibit cannabis from being grown in a home where a licensed childcare is located.

It is recognized that the illegal market actively infiltrates Canadians with licences to grow medical cannabis at home, and it is anticipated that the illegal market will do the same with recreational cannabis.

Penalties for youth

Bill C-45 decriminalizes possession of up to 5 g of cannabis by minors (17 and younger). For health reasons, the working group recommends the establishment of penalties for youth possession such as a graduated penalty system.

For example, Colorado has a graduated penalty scheme for youth, which includes an educational component as well as community service in addition to fines.

Consuming in public

In 2016, New Brunswick added cannabis to the *Smoke-free Places Act*, meaning that the restrictions applied to where tobacco can be smoked or vaped in public now apply to cannabis. As with alcohol, the provincial government

could restrict the consumption of cannabis in public places, but this would be difficult to enforce when edible cannabis products are legalized in future.

Impaired driving

Bill C-46 addresses cannabis-impaired driving by authorizing roadside testing; establishing prohibited levels of THC in the blood; and imposing criminal penalties identical or nearly identical to those for alcohol-impaired driving. The working group recommends amending the *Motor Vehicle Act* to reflect Bill C-46 and to impose administrative penalties for cannabis-impaired driving identical to those for alcohol.

Some users and advocates of medical cannabis believe medical users are not impaired and should not be considered to be impaired for the purposes of work or driving even though testing would show cannabis in their system. To some medical cannabis users, roadside testing and workplace testing are unfair if they penalize medical cannabis users and not users of other prescription medications. Medical users who presented to the working group suggested that they be given a driving test and/or carry a user card.

The provincial government recently passed amendments to the *Motor Vehicle Act* (Bill 16), which will create new penalties for alcohol-impaired driving. Bill 16 is expected to be proclaimed in 2017.

Impairment at work

Case law already authorizes every employer to require its employees to be unimpaired at work. In practice, there are challenges for employers, including:

- the phenomenon of employees taking prescription medication (including cannabis) in prescribed doses, with noticeable effects at work;
- employers meeting their legal duties to reasonably accommodate employees struggling with addiction, which is a disability under human rights law; and

- understanding under what circumstances employers are legally entitled to test employees for impairment and by what means.

These challenges predate Bill C-45, and cannabis is but one part of the challenge.

Public health

Reducing harms and risks

Legalizing cannabis means the provincial government needs to protect the health of New Brunswickers; especially children and youth. Studies clearly show that youth who consume cannabis on a regular and heavy basis are at risk of negative physical and mental health outcomes, including an increased risk of addiction, psychosis, depression and anxiety and poor academic achievement.

In addition to youth, high-risk groups include people with mental illness, people with substance abuse problems, pregnant women and their unborn children, people living in poverty, people who have problems in school or other aspects of life. Consideration should also be given to communities at greater risk such as those communities that have higher rates of unemployment, poverty and poor housing.

Some feel simply informing New Brunswickers about the harms and risks of using cannabis is enough to lessen those risks. However, lessons learned in reducing tobacco rates have shown that telling people it is harmful to use tobacco does not stop people from smoking. The provincial government needs to take a cautious, comprehensive approach to effectively reduce the harms and risks associated with legalizing cannabis.

The working group reviewed the literature and consulted with experts to reduce the harms and risks associated with legalizing cannabis. The following recommendations are adapted from Canada's Centre for Addiction and Mental Health. Many of these suggested approaches address the lessons learned in Colorado and Washington previously described in this report.

- Balance the risk of setting a price that is too high and drives consumers to the illicit market and unregulated products versus a price that is too low, which might encourage use.
- Restrict higher-risk products and formulations: Products with higher concentrations have added risks and unknown long term impacts. These risks are worse for young people, including children.
- Prohibit discount pricing, bulk purchases and incentive programs.
- Ensure additional funding for health-related programs: Reinvest a portion of revenue from the sale of cannabis into health care, including strengthening treatment for people with mental illness and problematic substance use.

- Invest in education and prevention to promote lower-risk cannabis use guidelines and to raise awareness of the risks to groups at higher risk: Education and awareness campaigns should be focused on specific groups of people who are at greatest risk of harm such as those who use cannabis frequently (daily or near-daily), pregnant women, people with a personal or family history of mental illness, and people with substance use problems. Educational information could be used by parents to help them discuss cannabis use with their children, or by teachers to educate their students, or by health-care providers to promote low risk cannabis use with their clients/patients.
- Strengthen programs that build youth resilience and nurture positive child development, and address the broader societal factors known to put youth at risk for substance use. Communities should be encouraged to look at drug use behaviours in their area and work together to develop solutions that will work best for them.
- Set a minimum age for staff who sell cannabis and ensure retailers are adequately trained to sell cannabis products.

Finally, there is a need to research and monitor the impact of legalization in terms of reducing harms and risks. For example, if there are more motor vehicle accidents, increased crime, more people with substance abuse problems, more visits to emergency rooms or physician offices, or more communities that are doing poorly, the provincial government may have to make some changes.

Education and awareness

Investing in targeted education and awareness will help reduce harms and risks of legalizing cannabis. However, issues such as carefully considering where cannabis is sold, the cost of it, how strong the products are, how the products are displayed and packaged, and rules around driving and workplace safety will have a significant effect on reducing the harms and risks of legalizing cannabis in New Brunswick.

Several stakeholders who presented to the working group strongly recommended that education be started in the public school system (K-12 approach) and that education also be part of any penalty.

User awareness and potency

Cannabis use

- 1 g dried cannabis = 2 rolled joints.
- Cannabis oil is used in vaping and edibles.
- Vaping is considered to be safer than smoking as the product heats at a lower temperature.
- Through plant breeding, the potency (level of THC) of cannabis has doubled in 20 years.
- Flowers/buds can average 17 per cent THC while the average potency of oils is 62 per cent (Colorado).

Today, recreational cannabis users are buying untested, unlabelled product and therefore have no sense of the contents of what they are using, namely the level of THC. A benefit of a regulated product will be that the levels of THC, CBDs and pesticides will be identified on labels. As current users and new users begin buying legal product, they need to be informed about levels of THC and its effects. Likewise, people choosing to grow cannabis at home will not know the THC levels of the flowers/buds.

Some stakeholders feel that higher potency products could carry a deterrent such as a higher price point.

Economic opportunity

The legalization of cannabis represents a significant economic opportunity identified as one of the Growth Opportunities under *New Brunswick's Economic Growth Plan*. The provincial government, through Opportunities New Brunswick, has actively pursued opportunities to grow jobs and revenue in New Brunswick, primarily in the production of cannabis and in the research and development surrounding this emerging industry. The province is well placed to develop and manage the required infrastructure for the industry in Canada, partly due to its strategic location and transportation infrastructure.

One of the goals of the *Economic Growth Plan* is to strengthen the workforce by amplifying the industry and its prospective employment opportunities and developing industry-specific curriculum for local universities and colleges. The provincial government is working with the one licensed producer in New Brunswick as well as up to four other companies expecting to complete the federal licensing process later in 2017 and into 2018. The Collège Communautaire du Nouveau-Brunswick (CCNB) is working with producers to develop a new educational program to train people in the horticultural production of cannabis. This will ensure these new companies have trained employees and provide job opportunities across the province. It will also serve to create innovation in the sector by linking small-scale entrepreneurship to college and educational programs and building a hub of infrastructure and research clusters to attract investment.

The Research and Productivity Council (RPC) in Fredericton is one of the lead testing facilities of cannabis in Canada, responsible for testing more than one-half of the cannabis grown in the country. Its work includes testing batches of product for levels of THC and cannabinoids. To satisfy the growing demand for services, RPC hired 32 professionals during the past year and plans to hire up to another 12 employees during the coming year.

A new health research chair at St. Thomas University was announced in May 2017 and is the first of its kind in Canada. The five-year position is supported with \$1 million in funding from the New Brunswick Health Research Foundation and Shoppers Drug Mart. The research chair will examine the social determinants of health relative to the use of recreational and medical cannabis.

New Brunswick's leadership in cannabis is attracting some of the greatest pharmaceutical minds, researchers, investors, inventors and entrepreneurs. Plans include the development of a long-term strategic investment plan that lays out the roadmap to integrate facilities and organizations around the province, working with industry to assess and develop new target markets and ensuring ongoing economic benefit to the community and to the province.

Next steps

The legalization of recreational cannabis will affect all New Brunswickers. For this reason, a select committee of the legislative assembly has been established to conduct public consultations and gather feedback and insight on how to move forward.

This report will help the select committee inform New Brunswickers about the opportunities and challenges brought on by the legalization of recreational cannabis. Everyone is encouraged to join the conversation – the medical community, law enforcement, social advocates, business leaders, First Nations communities, municipalities, youth, seniors and anyone with ideas or concerns about these implications.

The select committee will hold public consultations during the summer and table its report in September. The provincial government will introduce legislation to set up the framework for recreational cannabis in the fall of 2017. The framework will take into account the findings from the select committee.

Appendix

New Brunswick Working Group on the Legalization of Cannabis

- Department of Justice and Public Safety, Chair
- Department of Health
- Department of Finance
- New Brunswick Liquor Corporation
- Opportunities New Brunswick

Stakeholders

The working group thanks the following contributors who made presentations and helped inform the recommendations presented in this proposal.

Government departments and agencies

- Aboriginal Affairs Secretariat
- Education and Early Childhood Development
- Environment and Local Government
- Post-Secondary Education, Training and Labour
- Residential Tenancies Tribunal (Service New Brunswick)

Other stakeholders

- Canadian Federation of Independent Business
- Cannabis Compliance Inc.
- Canopy Growth Corporation
- MADD (Mothers Against Drunk Driving)
- Marijuana for Trauma
- National Access Canada
- New Brunswick Association of Police Chiefs
- New Brunswick Medical Society
- New Brunswick Police Association
- Office of the Child and Youth Advocate
- Organigram
- Tidal Health Solutions

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