

Thank you for holding this important hearing and allowing me to testify today.

My name is John Sullivan, and I am the Executive Vice President for Public Affairs at Cresco Labs.

Cresco was one of the original five medical vertical license holders in the Commonwealth of Pennsylvania. Cresco grows, manufactures, and dispenses medical cannabis. In fact, we manufactured and sold the first medical product in the Commonwealth on February 15, 2018. Additionally, we partnered with Temple University to conduct cutting-edge research on cannabis therapies.

Since we were awarded our license six years ago, we have invested over 100 million dollars in the Commonwealth, built out a 135,000 square feet cultivation facility in Brookville and opened dispensaries throughout Pennsylvania. We currently employ 455 people in Pennsylvania. And, all of them have health insurance, paid vacation, paid community volunteer hours, paid sick leave, good-paying jobs, and ownership in the company.

To date, Cresco's Brookville facility has manufactured 22,324,992 medical cannabis products for Pennsylvania's patients.

Every one of those products was tested by independently licensed 3rd parties to ensure accuracy of potency and make sure it was free from heavy metals, pesticides and mold.

Every product was sold in child-resistant and tamper-evident packaging that was reviewed and approved by the Department of Health. None of the products, packaging or advertising are designed in a way that would appeal to children.

We have had zero product recalls and zero documented instances of children being hospitalized after consuming our products.

There have been zero instances of diversion or selling products across state lines.

This track record did not happen by accident. It happened because the state set up a comprehensive regulatory framework and partnered with a limited number of operators that were carefully vetted through a robust merit-based application process. The results speak for themselves.

The team at Cresco has spent the last ten years helping to build a responsible, respectable cannabis industry. A cannabis industry where all cannabis is tested, tracked from seed to sale, and labeled so that patients know exactly what they are consuming.

However, that responsible, respectable cannabis industry is in jeopardy in Pennsylvania.

Pennsylvania today also has an illicit cannabis market and, as a result of the 2018 Federal Farm Bill, it has what I call "gas station cannabis".

Otherwise known as intoxicating hemp, synthesized cannabis, Delta 8,

Delta 9, THCO and “THCA” Flower. Walk into virtually any gas station, convenience store or smoke shop and you can find these products.

The gas station cannabis industry and the illicit market are nothing like the licensed cannabis industry. The vast majority of these products undergo no safety testing, endure no regulatory compliance obligations, have no age restrictions, are intentionally child appealing, and are chemically engineered to be more potent than anything in the regulated cannabis industry. In Pennsylvania and throughout the country, we are seeing a frightening number of children mistakenly taking these products and ending up in the hospital. In fact, the Center for Disease Control is now tracking the number of incidents with gas station cannabis that send our children to hospitals.

Furthermore, to our knowledge, all of these products come from outside the Commonwealth, creating no jobs, building no lasting infrastructure and paying little to no taxes.

The worst part is, with no regulation it is virtually impossible to stop the intoxicating hemp, “gas station cannabis” industry. Before I was in cannabis, I was a gang crimes prosecutor in Chicago, Illinois, and I worked closely with law enforcement. I still speak with members of law enforcement regularly. Right now, this “gas station cannabis” industry is impossible for law enforcement to stop. While the FDA and DEA have both issued clarifications on the illegality of the majority of these products, there is so much confusion around what products are legal under the 2018 farm

bill, there is no way for law enforcement to discern what is legal hemp product and what is illegal. As a result, this industry operates unchecked.

Each day that goes by, this unregulated industry grows, takes hold, and makes it tougher for a responsible, regulated industry to take its place – it puts everything that we have advocated for and operated compliantly pursuant to over the last 10 years, for Cresco Labs and for Pennsylvania.

So today, I am imploring this PA legislature and this committee to act quickly to implement an adult-use cannabis program that has a robust regulatory system that emphasizes the protection of adult consumers and keeps cannabis out of the hands of children.

How do we do this:

First, use the current medical cannabis regulatory structure and footprint already that currently exists to launch an adult use cannabis program as quickly as possible. This will provide tens of thousands of good-paying jobs, spur economic development, and provide significant tax revenue.

Second, create an environment where the entire cannabis ecosystem works together to create the best results for all businesses, whether small or large, new businesses and current operators. Infighting and delay will only embolden the illicit and the hemp-synthesized “gas station cannabis” industry.

Third, implement a system that maximizes the creation of good jobs for Pennsylvanians, opportunity for people from all walks of life, and the tax revenue that Pennsylvania can collect.

All of these things are possible if we act together and act quickly.

Thank you.