

The regulatory structure of the alcohol industry serves as a proven framework that allows states to effectively regulate under a federal structure that ensures a safe and orderly marketplace. Policymakers focused on the legalization of marijuana can draw on the expertise and experience of the alcohol industry and public health leaders when contemplating and addressing needed **regulation, revenue, and research** principles in the marijuana industry. Additionally, since the enactment of the 2018 farm bill, there has been considerable confusion in the marketplace about the legality of products containing cannabidiol (CBD) and further federal guidance on this issue is needed.

**CBD:** Stakeholders continue to wait for clear guidance from the Food and Drug Administration (FDA) as it pertains to allowable uses of CBD. All the while, CBD products have continued to proliferate in the marketplace. The FDA must be urged to provide more robust guidance and establish regulatory principles so that market participants can produce, distribute, sell, and consume CBD products with legal certainty.

**Regulation:** Effective regulation has ensured states are able to decide if they want to legalize a product and how to best regulate that product to maintain a legal, safe, and orderly marketplace that eliminates illegal operations. The tenets of the 21st Amendment continue to provide a solid framework for states and the federal government to regulate the alcohol industry and could be considered when debating similar policies for the marijuana industry. Federal and state restrictions work in tandem to manage access and outlets to balance recognized objectives, including revenue collection and public health and safety.

**Revenue:** State marijuana legalization efforts have typically been accompanied by excise tax policies at both the state and local levels. Recent legalization efforts, including those in New York and New Jersey, have earmarked revenue raised from these excise taxes to address social injustices and provide aid to disproportionately impacted communities. Regulation in the alcohol industry has proven critical to the efficient collection of alcohol excise taxes. Principles established in the alcohol industry provide checks and balances for tax administrators charged with collecting excise taxes and ensuring an accurate accounting of these revenues.

**Research:** Just as with the alcohol industry, research that seeks to investigate the impact that marijuana can have on human behavior, development, and general health must be a priority. Further research must also be conducted to obtain better methods and techniques to accurately measure marijuana impairment, like an alcohol breathalyzer. For employers, the inability to reliably determine on-the-job impairment levels adversely affects the workplace and creates transportation safety concerns. Employers are currently faced with the challenge of maintaining their workforce, ensuring a safe workplace, and protecting the public on the roadways. Investment and advancement in research must coincide with marijuana legalization efforts.

## NBWA Key Priorities:

- CBD: The public is still anticipating further guidance from the federal government about the legality of CBD-infused consumable products. This ambiguity has led to uncertainty in the marketplace and unanswered questions about product distribution.
- While there are significant differences between alcohol and marijuana, the principles that work to regulate alcohol could be considered for marijuana.
- Policy debates should focus on regulatory oversight and effective regulation, revenue collection through excise taxes, and additional research to understand the overall impact of marijuana use.

## NBWA Encourages Congress to:

- ✓ Urge the FDA to provide stakeholders further guidance on the regulatory pathway forward for CBD.
- ✓ Consider the established and effective regulatory policies of the alcohol industry as a guide when determining regulatory policies for the marijuana industry.
- ✓ Support efforts, including research, to address workplace and workforce priorities.