

July 21, 2020

Hon. Rod Phillips
Minister of Finance
Frost Building South
7th Floor
7 Queen's Park Cres.
Toronto, ON M7A 1Y7

RE: Amendment to allow for delivery and curbside pick-up for recreational retailers

Dear Minister Phillips,

Thank you for your continued leadership during the COVID-19 pandemic. As the situation evolves, the Ontario Chamber of Commerce (OCC) continues to take concerns from the business community and communicate them to all levels of government.

Today, we are writing to ask the government to reconsider the decision to end curbside pick-up and delivery for cannabis products purchased legally online or over the phone. While we recognize and appreciate this was initially brought in as a temporary pandemic measure, the decision to not make this permanent fundamentally puts public safety, economic growth and jobs at risk. It is our hope you would consider making the regulatory amendments to the *Cannabis License Act* to allow for legal, privately owned cannabis retailers to effectively compete against the illegal market and to continue to drive economic value and job creation for the province.

While there are many compelling reasons to make this necessary change, we would like to focus on the following three:

- **Public Safety.** Limiting access to legal cannabis will lead to more illegal market sales. In Ontario, illegal actors account for 81 percent of household spending on cannabis. Illegal operators are also able to offer consumers more convenient delivery options for unregulated and untested products. There is no means to prevent these potentially dangerous products from getting into the hands of children and youth. Over 70 percent of Ontarians agree that more options to purchase from legal retailers will reduce illegal market sales (Responsible Cannabis Use - May 2020 Survey).
- **Loss of Revenue.** According to research conducted by the Ontario Chamber of Commerce, the decision to end delivery and curbside pick-up for the 100 cannabis retailers that are authorized to open will lead to annualized losses of \$180 million for Ontario's economy. The lost revenue swells to \$990 million dollars over one year when accounting for the 449 stores whose applications are in progress. Neither of these figures include the broader economic losses stemming from lost jobs and investment which will follow. At a time when Ontario's economy is grappling with the challenges brought on by this pandemic, we should be championing, not stifling, investment and economic growth in emerging sectors.
- **Loss of Jobs.** Since the onset of COVID-19, cannabis retailers have shown resilience and innovation by adapting to ongoing changes, all while trying to maintain or grow their workforce. In short order, private retailers retrofitted their operations to allow for a smooth and safe rollout of curbside pick-up

and delivery. Retailers leveraged themselves by investing time and money into building web platforms that facilitated e-commerce, purchasing the necessary software and IT, hiring delivery drivers, acquiring additional insurance to cover extended liabilities, establishing standard operating procedures and sharing best practices industry wide. Ending delivery and curbside pick-up for retailers puts 2,500 jobs at risk (based on the 100 stores currently authorized to open) and over 13,000 potential jobs now hang in the balance with the remaining 449 stores with applications in progress.

Simply put, this decision will create a marketplace in which independent, legal retailers will not be able to compete with the illegal market or with the government-run Ontario Cannabis Store, which will force retailers to reduce expenditures, cut jobs, and undermine the viability of the sector more broadly. Successfully displacing the illegal market will require a fair and competitive legal market whereby private cannabis stores are granted the tools to compete against illegal operators.

It is important to underscore we are not asking for special treatment but for the cannabis sector to be granted the same treatment other retailers have received with respect to e-commerce and delivery options.

We were delighted to see in the *COVID-19 Economic Recovery Act, 2020*, your government's commitment to create a new investment attraction agency, *Invest Ontario* to "promote the province as a key investment destination, making Ontario more competitive while sending a strong signal to investors that the province is open for business". It is our hope to see that same signal will be extended to the recreational cannabis sector in the province.

Public health and safety are priorities for all Ontario businesses. We will continue to monitor and assess new developments pertaining to COVID-19 closely and work with our members, partners, and all levels of government to provide support to Ontario business.

Sincerely,

Rocco Rossi
President and CEO
Ontario Chamber of Commerce

Fern Glowinsky
President and CEO
Merrco Payments Inc.

Perrin Beatty
President and CEO
Canadian Chamber of Commerce

Mimi Lam
CEO
Superette Shop

Trevor Fencott
CEO
Fire and Flower

Mark Golliger
CEO
Meta Growth Corp

Dave Paterson
Chief Commercial Officer
Indiva

Steffen Schenk
President
Mihi Cannabis

Angelo Tsebelis
CEO
WeedMD

Ryan Greer
Co-Chair
National Cannabis Working Group

Michael Nituda
Vice President
BFL Canada

Michael Ruscetta
CEO
Trichome Financial

Joel Stevens
President
Livonit Foods Inc.

Michael Ruscetta
CEO
Trichome Financial

Michael Kniazeff
Founder and CEO
SuperAnytime

Sherry Boordram
CEO & Co-founder
CannDelta

Nathan Mison
CEO
Diplomat Consulting

Daniel Safayeni
Co-Chair
Ontario Cannabis Policy Council

Afshin Mousavian
CEO
Responsible Cannabis Use

Brian Athaide
CEO
The Green Organic Dutchman

Kevin N. Lea
President
Fuse Insurance

Malka Labell
Founder and Strategist
Green Generation Company

John Carle
Executive Director
Alberta Cannabis Council

Rachel Dyer
Licensing and Government Communications
Choom

Mike Dunn
Co-Founder/Director
1922

James Welbourn
Vice President
Stewart Farms

Michael Tang,
Vice President of Business Development
Miss Jones

Michael Garbuz
CEO
High12

Mariana Fonar
General Counsel and Corporate Secretary
Lift & Co

Clint G Seukeran
Owner
Ganjika House

Vianney Aubrecht
President
Velvet Management Inc

Mark Phillips
President
Trenton Self Storage

Todd Pringle
President and CEO
Wabi Sabi Brands

Meni Morim
CEO
Namaste Technologies

Richard Browne
Founder and CEO
Alcheme Canna Corp.

Darryl Allen
Co-Founder
Sessions

Eleanor Lynch
President of Operations
Kiaro Brands

David Bow
President and Founder
Origine Nature

Ivan Ross Vrana
VP of Government Relations and Business
Development
Eve & Co Inc

Albert Kim
CEO
Greenline POS
Jason Sonshine
Vice President of Strategy
Auxly

Jenn Juby
Vice President of Operations
Hemisphere Cannabis Co.

Ryan Lalonde
CEO and Co-Founder
Buddi

Ofure Osifo
Regulatory and Government Affairs
Hawthorne Canada Limited and Scotts Canada
Limited

Helene Vassos
Foudner
Canvas Cannabis

Jeremy Potvin
CEO
TokeText Inc

Abraham Hajar
Manager
Cannabis Link

Daniel Telio
Owner
Chrontact Cannabis

Alberto Menéndez
President
Sweet Seven Cannabis Co.

Danielle Rinaldi
CEO
Garden City Cannabis Co.

Sandy Sadsad
CEO and President
Chamba Cannabis Co
Robert Fierro
Strategic Account Executive
Onfleet

Gregory Luciani
President and CEO
Weed Advisor

Kevin Schmidt
President
Corner Grass Corp

Justin Smith
CEO
Flying Buddha

Robert John Rowe
Owner
Crossroads Cannabis

Dale Hill
Director and Shareholder
Collective Growers

Christian Sculthorp
President
Cozy Cannabis

Barrington W. Miller
Director
Canadian Securities Exchange

Mike A. Dixon
Professor and Director, School of Environmental
Sciences
University of Guelph

Dima Kashuba
Owner
QBUD

Preeya Chauhan
Owner
Pufftastic Cannabis Co.
Mark Phillips
President
Mystical Distributing Company Ltd

Julie Dinnissen
Owner
Small Town Buds Inc

Karina Storning
Manager
IslandSmoke

Mike Ainsworth
Manager
Kelly's Cannabis Corporation

Michael Motala
President and CEO
The Philosopher's Stoned Inc.

James Jesty
President
Friendly Stranger Holdings Corp

Marie Ross
Co-Owner
Bob's Bud Emporium

Omar Khan
National Cannabis Sector Lead
Hill+Knowlton Strategies

Sasha Soeterik
President
Trinity Cannabis Inc.

Jason Fitzpatrick
Retail Manager
Cheerful Charlie's Cannabis Co.

Robert Stark
Owner
Junction Cannabis

Vijai Bissessar
Owner
V&D Cannabis

Seth Brouwers
Director
Welcome Cannabis

Garet Avery
Co-Owner
Kana Leaf

Raj Grover
CEO
High Tide Inc.