



Pennsylvania Hemp and Cannabis Guild (PAHCG)
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WRITTEN TESTIMONY OF THE PENNSYLVANIA HEMP & CANNABIS GUILD Adult Use Cannabis: Criminal Justice, Safety & Economic Impacts

Submitted by: **Jake Sitler, President, Pennsylvania Hemp & Cannabis Guild; Founder, Endo**

Chairman, Members of the Committee, and Members of the General Assembly:

Thank you for the opportunity to submit written testimony on behalf of the Pennsylvania Hemp & Cannabis Guild regarding the future of cannabis policy in the Commonwealth.

My name is Jake Sitler. I am President of the Pennsylvania Hemp & Cannabis Guild and founder of Endo, a Pennsylvania-born hemp and cannabis company. The Guild brings together Pennsylvania farmers, manufacturers, retailers, brands and other stakeholders who believe cannabis policy should protect consumers, provide clear rules for businesses and law enforcement, support Pennsylvania agriculture and entrepreneurship, and recognize the cannabinoid marketplace that already exists here.

I have spent years fighting for Pennsylvania's hemp industry because I believe hemp created something important. It created a more modern and accessible model for cannabinoids while giving farmers, manufacturers, retailers and entrepreneurs an opportunity to participate in an emerging industry. But supporting hemp does not mean supporting a regulatory vacuum. We believe strongly in 21+ access to intoxicating products, testing, product registration, manufacturing standards, responsible packaging and labeling, and meaningful enforcement.

As Pennsylvania considers adult-use cannabis, I believe the conversation has become much bigger than simply deciding what happens to hemp. **Pennsylvania needs to decide what kind of cannabis economy it wants to build-and who is going to regulate it.**

Pennsylvania Already Has a Cannabis Economy

We often discuss adult-use legalization as though Pennsylvania would be creating a cannabis marketplace from scratch. We would not be. Pennsylvania already has a regulated medical marijuana industry, a federally authorized hemp program administered by the Pennsylvania Department of Agriculture, and Pennsylvania businesses manufacturing, distributing and retailing hemp-derived cannabinoid products.

The cannabinoid marketplace has evolved dramatically since passage of the 2018 Farm Bill. The regulatory infrastructure surrounding it has not evolved at the same speed. We continue to encounter basic questions about who regulates finished hemp-derived cannabinoid products, establishes product and testing standards, registers manufacturers and retailers, conducts inspections and ultimately enforces violations.



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Depending upon the product and circumstances, Pennsylvania businesses can find themselves interacting with the Department of Agriculture, Department of Health, Pennsylvania Liquor Control Board, Pennsylvania State Police, Bureau of Liquor Control Enforcement, Attorney General, local law enforcement or local government. These agencies operate under different statutes, responsibilities and jurisdictional limitations.

The problem is not simply that agencies are failing to do their jobs. **The problem is that Pennsylvania has never clearly assigned the job.**

We Have Watched These Gaps Firsthand

This is not an academic concern for me or the businesses represented by the Guild. I have testified before the Center for Rural Pennsylvania regarding the economic importance of hemp to Pennsylvania's rural communities and the consequences regulatory decisions have for farmers, manufacturers and small businesses. I have also sat down directly with the Pennsylvania Department of Agriculture, Pennsylvania State Police, Bureau of Liquor Control Enforcement and Pennsylvania Liquor Control Board in an effort to bridge gaps between industry, regulators and law enforcement.

Those conversations have been valuable, but they have also demonstrated how difficult it is to create cohesion when the statutes do not clearly establish responsibility. We can sit in rooms together, identify problems and find areas of agreement, but eventually we run into the political and statutory realities of which agency has authority to do what.

It is time for us to be adults about cannabis policy. Cannabis exists in Pennsylvania. Hemp-derived cannabinoid products exist in Pennsylvania. Medical marijuana exists in Pennsylvania. Consumers are using these products, businesses are manufacturing them, law enforcement is encountering them, and Pennsylvania is debating adult-use legalization. Treating these as entirely separate conversations does not make the regulatory problems disappear. It makes them harder to solve.

Our Concerns With the Cannabis Control Board Proposal

One of the Guild's significant concerns during the debate surrounding Senate Bill 49 has been the proposal to consolidate regulatory authority over Pennsylvania's cannabinoid marketplace within a newly created Cannabis Control Board. Recent language proposed granting that Board general and sole regulatory authority over the manufacture, processing, testing, distribution and sale of cannabis and all consumable cannabinoid products in Pennsylvania, expressly including hemp-derived cannabinoids.

At the same time, the proposal created no meaningful bridge for the Pennsylvania businesses already operating in this marketplace. These are businesses that have invested here, created jobs here, built manufacturing infrastructure here and developed brands here under the laws that existed. If Pennsylvania is going to fundamentally restructure its cannabis marketplace, it should



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also be asking how responsible Pennsylvania businesses can transition into that future-not simply how a new regulatory body will govern it. These are exactly the businesses Pennsylvania should want to protect, retain and give an opportunity to continue investing in the Commonwealth.

We understand the reasoning behind consolidation, and we agree with the underlying premise that Pennsylvania desperately needs clearer regulatory authority and greater cohesion. Where we disagree is **where that authority should reside, particularly as it relates to hemp.**

Hemp is not a new cannabis program waiting to be created. It is an existing federally recognized agricultural program with Pennsylvania farmers, processors and businesses and years of institutional knowledge already housed within the Pennsylvania Department of Agriculture.

For years, hemp businesses have experienced a regulatory power vacuum caused by unclear jurisdiction. Simply transferring broad jurisdiction over hemp, medical marijuana and potentially future adult-use cannabis to a newly created Cannabis Control Board does not automatically create good regulation. It creates an extraordinarily powerful new regulatory structure.

Pennsylvania should carefully consider whether concentrating that authority in a new independent board is the best answer when the Commonwealth already has agencies with significant subject-matter expertise. **The answer to regulatory fragmentation should not automatically be regulatory consolidation. It should be regulatory cohesion.**

Hemp Should Remain Rooted in Agriculture

The Pennsylvania Hemp & Cannabis Guild believes a better approach is a **Department of Agriculture-led regulatory model for hemp and hemp-derived cannabinoid products**, supported by clearly defined coordination and enforcement responsibilities among other Commonwealth agencies.

Agriculture already administers Pennsylvania's hemp program, works with Pennsylvania hemp farmers and processors, has experience regulating food manufacturing, sanitation, agricultural commerce and consumer products, and possesses years of institutional knowledge surrounding hemp. An Agriculture-led structure maintains continuity between the crop, its processing, its manufacturing and its finished products. Pennsylvania should build upon that infrastructure rather than recreate it somewhere else.

That does not mean Agriculture should operate alone. Pennsylvania State Police and local law enforcement should have clearly defined enforcement authority. BLCE and the PLCB should have clearly defined responsibilities where cannabinoid products intersect with the licensed alcohol marketplace. The Department of Health and any future adult-use regulator should coordinate where their respective markets intersect. The Department of Revenue should have a clearly defined role in tax administration, reporting and compliance where applicable.



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Agencies should communicate, information should be shared, standards should be coordinated and enforcement authority should be clear. But **coordination does not require placing every cannabinoid product under one Cannabis Control Board.**

For hemp and hemp-derived cannabinoid products, the Pennsylvania Hemp & Cannabis Guild will be advocating strongly for the Pennsylvania Department of Agriculture to serve as the lead regulatory agency.

SB 49 and a Seat at the Table

The Guild has been actively engaged with legislators and staff regarding language surrounding Senate Bill 49 and the regulation of hemp-derived cannabinoid products. We have advocated for age restrictions, product registration, testing, labeling, manufacturing standards, permitting and meaningful enforcement. Underneath every one of those provisions is the same fundamental question: **Who is responsible?**

For years, Pennsylvania hemp businesses were largely reacting to proposals developed around us. That is changing. The Pennsylvania Hemp & Cannabis Guild now has a meaningful voice at this table, and we intend to use it constructively.

We will work across party lines and with Agriculture, law enforcement, the medical marijuana industry, hemp businesses, farmers and advocates for adult-use legalization. At the same time, we will strongly represent the Pennsylvania businesses and people who built this industry. We will advocate for an Agriculture-led hemp regulatory structure and serious standards around testing, age restrictions, product registration, manufacturing, retailing and enforcement.

We are not asking Pennsylvania to preserve regulatory ambiguity. **We are asking Pennsylvania to replace ambiguity with thoughtful regulation.**

Whatever Happens Federally Strengthens the Need for Pennsylvania Leadership

We are also approaching another major moment federally. Congress has enacted significant changes to the federal definition of hemp that are scheduled to take effect later this year. The Guild continues to work with federal policymakers and stakeholders regarding those provisions, and none of us can say with certainty what Congress ultimately will or will not do before they take effect.

Whatever ultimately happens federally only strengthens the argument we have been making in Pennsylvania. If Congress changes course and preserves a broader lawful hemp cannabinoid marketplace, Pennsylvania still needs a modern regulatory structure governing that marketplace. In the unlikely chance federal changes take effect as enacted, Pennsylvania will have to confront what happens to the businesses, products, consumers, farmers and infrastructure that developed during the previous eight years.



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Regardless of what happens in Washington, Pennsylvania will still have to determine the future of adult-use cannabis. Federal uncertainty is not a reason for Pennsylvania to avoid this conversation. It is a reason to have it now.

Hemp and Adult Use Are Part of the Same Conversation

I have fought extremely hard for hemp. I believe in what hemp created and in modern access to cannabinoids. I also believe Pennsylvania should legalize and regulate cannabis in a way that gives Pennsylvania people a genuine opportunity to build the infrastructure of this industry here. Those positions are not contradictory.

Hemp demonstrated what can happen when ordinary entrepreneurs are allowed to participate. Pennsylvania businesses developed products, built manufacturing operations, opened stores, created jobs, developed intellectual property and built brands and customer bases. Now Pennsylvania has to decide whether those businesses will have an opportunity to continue growing here as cannabis policy evolves.

This Is Personal for Pennsylvania Businesses

I can speak to this personally. My wife and I built Endo here in Pennsylvania. We built our first café here. We manufacture here. We employ people here. We developed our products and intellectual property here. Our company grew from Pennsylvania hemp, Pennsylvania customers and Pennsylvania communities.

This year, Endo also entered New York's licensed adult-use cannabis market. That gives our company an unusual perspective because **we now operate in both worlds**. We understand the accessibility and entrepreneurial opportunity that hemp created, and we are now experiencing firsthand what it means for a Pennsylvania-born company to enter a state-regulated adult-use cannabis marketplace.

I am incredibly proud that something we built in Pennsylvania can compete in that market. But there is also something bittersweet about having to look outside our home state for that opportunity.

I am not alone. Other members of our Guild are confronting the same decisions. These are Pennsylvania business owners who want to invest here, expand facilities here, hire people here, continue manufacturing here and build more brands here. They also have families, employees, mortgages and payroll, with years of their lives invested in businesses they built under the laws that existed.

Federal uncertainty and Pennsylvania's regulatory uncertainty are forcing some of these entrepreneurs to pause investments in our Commonwealth or explore opportunities in other states simply to protect what they have built and provide security for their families. At the same time, many of us are fighting as hard as we can to maintain and expand what we have built here.



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Pennsylvania should want those investments, jobs, intellectual property and businesses here. We should want Pennsylvania farmers supplying this industry. And we should want the next great cannabis company that comes out of Pennsylvania to have the opportunity to become a national company **without having to leave Pennsylvania first.**

Build the Infrastructure Here

Adult-use legalization is not only a conversation about access or tax revenue. It is an economic-development decision. Pennsylvania should build a system where its farmers, manufacturers, independent retailers and entrepreneurs have a realistic opportunity to participate, and where businesses that have demonstrated years of responsible cannabinoid operations have a viable pathway into the regulated cannabis marketplace.

None of that requires guaranteeing licenses to all existing hemp companies or excluding new entrants. It means creating a system where Pennsylvania people actually have an opportunity to compete and where investment can go into Pennsylvania facilities, Pennsylvania communities and Pennsylvania jobs rather than being pushed elsewhere.

Hemp and adult use do not need to cannibalize one another. Pennsylvania can preserve a responsibly regulated hemp marketplace while creating an adult-use system that gives Pennsylvania farmers, manufacturers, brands and entrepreneurs an opportunity to grow.

One Coherent Pennsylvania Cannabis Policy

Pennsylvania has an opportunity to examine the entire cannabinoid marketplace rather than simply transferring authority or building another regulatory silo. We can establish meaningful consumer protections, give law enforcement clear statutes to enforce, give businesses clear rules to follow, and create coordination between Agriculture, law enforcement, liquor enforcement, Revenue, health regulators and whatever entity ultimately oversees adult-use cannabis.

The Guild will continue fighting for hemp, advocating for responsible regulation and working with regulators and law enforcement. But after years of meetings, hearings, uncertainty and jurisdictional questions, Pennsylvania needs to make some fundamental decisions.

Someone needs to regulate this marketplace. For hemp and hemp-derived cannabinoid products, the Pennsylvania Hemp & Cannabis Guild believes that lead regulator should be the Pennsylvania Department of Agriculture. The agencies involved need a coherent framework within which to work together, and Pennsylvania businesses need to know that if they continue investing here, there is a future for them here.

The question before Pennsylvania is no longer simply hemp versus marijuana. It is whether we can take the fragmented systems created over the last decade and build one coherent cannabis policy that protects consumers while giving Pennsylvania people the opportunity to build Pennsylvania's cannabis industry.



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We believe we can.

Thank you for the opportunity to submit this testimony and for your continued work on these issues.

Respectfully submitted,

Jake Sitler

President, Pennsylvania Hemp & Cannabis Guild