

SENT VIA EMAIL

April 5, 2020

Hon. Prabmeet Sarkaria
Associate Minister for Small Business and Red Tape Reduction
7th Flr, 56 Wellesley St W
Toronto, ON, M5S 2S3

Hon. Doug Downey
Attorney General
11th Flr, 720 Bay St.
Toronto, ON, M7A 2S9

Subject: New essential businesses list and red tape in the cannabis sector

Dear Ministers Sarkaria and Downey:

As you both know, the Canadian Federation of Independent Business (CFIB) represents 110,000 independent businesses across Canada, with 42,000 members right here in Ontario.

Our members in the legitimate cannabis retail space were disappointed to learn that the government determined that they would be shut down as a non-essential business, while alcohol retail remains open and the government continues to sell cannabis through its online monopoly.

We believe that closing authorized cannabis retailers is not only unfair, but is a significant red-tape addition that opens the door to significant greater illicit market retail, threatening to eliminate the gains the legitimate sector has made.

Furthermore, legitimate retailers keep records of their sales and would be able to keep records of each sale and delivery made, meaning they know where their cannabis has gone and which employees have been in contact with customers. Should there be need to investigate for COVID-19 related reasons, these records could be made readily available to health officials seeking to trace potential transmission.

Not only is black market cannabis unregulated, but dealers have no such record-keeping requirements, making their sales virtually untraceable, which would significantly limit any public health response.

We believe the government has three viable options to maintain Ontario's cannabis retail sector:

1. On December 12, 2019, the Attorney General announced that authorized cannabis retailers could offer “click and collect” services to allow customers to order online and pick up at a physical retail space. **If the government were to allow cannabis retailers to process payments online – limiting person-to-person interactions and respecting social distancing policies – it’s already authorized click and collect system could continue.** The government has already allowed this system with other sectors in its essential businesses list, including hardware, pet supplies, vehicle parts and supplies, office supplies and safety supplies.
2. On March 26, 2020, the government announced that licensed restaurants would be allowed to deliver sealed alcoholic beverages with food take-out/deliver orders through third-party delivery services. The government gave drivers of those services a 30-day window to obtain their smart-serve certification. Cannabis retail employees already have their smart-serve equivalents (CannSell), as required by law. **The government could allow cannabis delivery via these already certified employees, aligning cannabis retail with any other retailer conducting e-commerce and delivering on those orders.**
3. In late 2019, the OCS partnered with Pineapple Express Delivery to offer same-day cannabis delivery in southern Ontario. **The government could expand its delivery partners to other existing services to link legitimate cannabis retailers with customers, offering a door-to-door consumer option,** allowing retailers to stay open and operational to conduct e-commerce and fulfil those orders, as other retailers may currently do.

We note that most Ontario Cannabis Store (OCS) delivery is done via Canada Post, who are no longer doing door-to-door delivery of products requiring identification. This actually *encourages* customers to leave their homes, contrary to social distancing policies, to go to their nearest post offices – often located in more frequented stores like pharmacies – to pick up delivery.

We strongly encourage government to re-instate cannabis retail as an essential business with modified methods of sale so that they may continue to serve their communities and employ their staff in a safe and responsible manner and keep the illicit market from using the pandemic as a means to grow its market share.

Sincerely,

Ryan Mallough
Director of Provincial Affairs, Ontario