



Economic-Academic-Reward-Network-In-Training: Cannabis

Texas Congressional District 30

Benefits of Legalizing Cannabis relating to Education, Job Creation and Business Ownership

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I. INTRODUCTION

On June 24, 2020, I released an economic recovery plan that many described as the 21st Century version of the New Deal. We called the plan EARN-IT, which stands for *Economic – Academic – Reward – Network – In – Training*.

https://www.pennieforcongress.com/pdf/Pennie_EARN-IT-44b.pdf

In the weeks subsequent to the release of the EARN-IT Plan, Congress, state legislators and attorney generals across the county began advocating for the legalization and decriminalization of cannabis in the United States to promote economic recovery subsequent to the COVID-19 crisis. Among the new proponents of federal marijuana legalization were: Senator Tina Smith of Minnesota, Pennsylvania, Governor Tim Wolf, and 53 current and former elected prosecutors and law enforcement officials who are now lobbying Congress to: decriminalize and legalize marijuana, expunge prior convictions and invest in communities harmed by past drug enforcement policies.

In August, the U.S. House of Representatives announced that a marijuana legalization bill (H.R. 3884: Marijuana Opportunity Reinvestment and Engagement Act) would be coming up for vote in September 2020. <https://www.congress.gov/bill/116th-congress/senate-bill/2227> The bill decriminalizes marijuana and makes small business loans available to marijuana-related businesses. Among the Congressional leaders to announce support for the new marijuana bill was Republican Congressman Matt Gaetz of Florida.

There is no doubt that the illegal drug market had an adverse impact on communities of color across this country, especially relating to marijuana criminal convictions. From the early 1980's -1990's, it was estimated that more than 4 million arrests were made because of vigorous marijuana enforcement. Under President Clinton's Violent Crime Control and Law Enforcement Act of 1994, prisons faced significant overcrowding due to "three-strikes" rules and mandatory minimal sentencing guidelines for drug arrests. The 1994 Crime Bill's "tough on crime philosophy" single-handedly decimated Black communities and tore families apart.

Research conducted over the last decade has shown marijuana to be less addictive than other drugs. More than 70% of physicians in America have been found marijuana contains active chemicals that have significant medicinal value; however, the drug still remains on the Drug Enforcement

Agency's (DEA) Schedule 1 list of most dangerous drugs. Similar to the impact that alcohol prohibition had on American society in the 1920's, federal restrictions on the manufacturing, transportation and sale of alcohol did not mitigate consumption in the U.S. – in fact, the constitutional ban only facilitated a lucrative illegal market. Over the last 5 decades, marijuana has followed that same trend.

Recently, states have moved unilaterally to legalize and decriminalize marijuana, so that it could be regulated, taxed and sold within these states. These decisions ultimately have put state laws in direct conflict with federal laws. Although these conflicts exist, no one can argue with the immense economic benefits including – states like California seeing \$3.1 billion dollars in revenue and Colorado seeing \$1.6 billion dollars in state revenue. The momentum gained for federal legalization of marijuana appears to be on track for passage within the next few years. When national legislation passes, underserved majority-minority districts like Texas Congressional District 30 and others across America should be among the first to reap its benefits.

In preparation for this legislation, an addendum has been added to the original plan called EARN-IT: Cannabis. This supplemental strategy takes into account factors impacting: law enforcement procedures, criminal enforcement, economic impact, education and training, and jobs. This plan is not advocating for “smoke shops” like liquor stores to be added to the community on every corner, but instead a more robust plan of developing cannabis pharmacy-like facilities with skilled and educated technicians.

In light of the economic toll taken on cities because of the COVID-19 crisis, nationwide protests and riots and online marketplace monopolies, it is vital that communities be prepared to adjust to the changing times. In evaluating this strategy and considering the potential \$129 billion nationwide economic impact of the marijuana industry; if done right – with proper federal regulation, oversight, and training, we can begin to lift failing communities out of poverty, reduce minority incarceration rates related to marijuana offenses and create sustainable markets resistant to online marketplace monopolies.

To better understand the emerging cannabis market, I recently visited Colorado and toured cannabis facilities. I met with business owners, political leaders and law enforcement officials about the impact of the cannabis industry on their economy. The business and political leaders appreciated

the resiliency of the cannabis industry, especially during the COVID crisis – highlighting an overall growth in revenue generated from the manufacture and sale of cannabis products. One manufacturer explained that because of the state-regulated market, there was an increased demand from consumers looking for a safe and quality product. Law enforcement leaders were optimistic about the emerging market, but believed that more was needed in terms of support services for: enforcement, education about recreational and medicinal use, and support services for abuse and addiction.

II. PROGRAM STRUCTURE

EARN-IT: CANNABIS stands for *Economic – Academic – Reward – Network – In – Training for Cannabis production*. Under the *EARN-IT: Cannabis* plan, government will play its traditional role of supporting economic initiatives, but corporations and people will have an opportunity to earn economic and social rewards based on their roles in the process.

- (a) **Economic:** Improve community conditions and create jobs by encouraging investments in the cannabis industry.
- (b) **Academic:** Professionalize the cannabis industry. Train people to work in the cannabis industry through internships and career development programs. Provide education on all aspects of the cannabis industry.
- (c) **Reward:** Benefits vary based on the entity.
 - *Government* benefits by building a strong working-class in underserved communities. Increase tax revenue for the state. Lower marijuana-related incarceration rates.
 - *Corporations* benefit by receiving tax credits and generating significant profits related to the legalized cannabis industry. U.S. banks will remain stable as cannabis distributors will be able to deposit their funds into banks instead of storage facilities.
 - *People* benefit by acquiring skilled-training and jobs in cannabis production and distribution field. Provide training that promotes business entrepreneurship.
- (d) **Network:** The network is comprised of stakeholders that have a vested-interest in improving the viability of underserved communities.
- (e) **In-Training:** Improve economic outcomes by training people for careers in the cannabis industry.

III. UNPRECEDENTED CHALLENGES

Prior to the coronavirus crisis, many small and minority-owned businesses in urban communities operated on fragile grounds because of pre-existing economic disparities. Consequently, due to mandatory shut-down orders, the inability to transition to online distribution and nationwide property damage resulting from rioting, many businesses were forced to close their doors indefinitely. Although there is national optimism about business recovery, many investors acknowledge that significant challenges remain in the current climate in terms of luring investments back to these underserved areas. Based on these unprecedented challenges, the cannabis industry appears to be a beacon of hope for underserved communities as Congress weighs legalization.

- **Economic marginalization:** Many underserved communities face historic economic challenges due to disparities in resources – contributing to high poverty and crime rates.
- **Administration of Justice (Courts):** Marijuana-related arrests have had a disproportional impact on minority communities. The 1994 Crime Bill subjected “minor” marijuana possession offenders to 3-strike penalties resulting in long prison sentences. The negative social stigma associated with marijuana arrests have limited individuals’ ability to obtain gainful employment; which validates the need for criminal record expungements in the nation moves closer federal decriminalization.
- **Law enforcement:** In June of 1971, President Nixon declared drug-abuse as “public enemy number one”, especially targeting marijuana because its widespread recreational use. Because the illegal marijuana markets were located in urban communities, minorities faced disproportioned arrests. Active pursuit placed unnecessary strain on the police-community relationship. Based on the limited impact, it would be unreasonable to force police officers to actively pursue these arrests; their time can be better served pursuing other crimes. Officers also have inadequate resources to detect abusive behaviors such as intoxicated drivers and/or resources to investigate complaints related to “underground” illegal markets.
- **COVID-19:** Small businesses are the backbone of society. The coronavirus response lead to many businesses being forced to closed. 41% of the minority-owned businesses were not able to recover. 55% of businesses on Yelp are also not returning.
- **Online Marketplace Monopolies:** When businesses were forced to close, online retail companies saw increased profits. Small “mom and pop” businesses were not able to move online and compete to scale with the larger online monopolies.

IV. DELIVERABLES FOR SUCCESS

The program elements of EARN-IT: Cannabis involves applying principles of *Economic – Academic – Reward – Network – In – Training* to the production, distribution and sale of cannabis. Under EARN-IT: Cannabis, communities would be able to benefit from the legalization and taxation of cannabis. Government will play its traditional role of supporting community initiatives, but corporations and the people will have an opportunity to earn economic and social rewards based on their involvement.

- **Education:** Facilitate new job training programs. Create a new classification of Cannabis Technicians similar to Pharmacy Technician. Work with existing programs to educate people about the plant, its medicinal benefits, cultivation, processing and distribution.
- **Revenue:** The Cannabis industry will bring new streams of revenue to underserved districts like Congressional District 30; which would be used to help improve opportunities.
- **Economic Growth/Jobs:** This new market will create new businesses and jobs. There will be a need for more law enforcement, inspectors, manufacturers, distributors, counselors, lab technicians, and clerks
- **Law enforcement:** Decriminalizing marijuana will afford officers more time to focus on other crimes impacting communities. Provide additional training for law enforcement.
- **Support:** Law enforcement must be properly equipped with the tools to investigate crimes related to marijuana-abuse such as driving while intoxicated.
 - Traditional enforcement laws must remain intact. Users are still encouraged to take personal responsibility for their actions. (public intoxication, unlawful distribution)
 - Police must be provided with new intoxication detection technology - “drugalyzers”
 - Complaints regarding violators running illegal marijuana markets must be investigated by axillary regulatory agencies specifically designated to investigate those complaints.
 - Regulatory agencies must be developed to inspect the quality of product being sold to the public to ensure that no contaminated product reaches the public
 - Enhance support for rehabilitative and counseling services related drug abuse.

VI. SUMMARY

For almost 50 years, America's War on Drugs has cost American taxpayers nearly 1 trillion dollars with limited impact on the sale and distribution of illegal drugs in the America, including marijuana. Unfortunately, this futile war has resulted in the loss of countless law enforcement and civilians' lives with no notable end in sight. Now, after years of debate and the widespread acceptance of marijuana as a recreational and medicinal drug in 13 states, Congress is now considering the federal decriminalization and regulation of cannabis under H.R. 3884: Marijuana Opportunity Reinvestment and Engagement Act (MORE ACT).

While the MORE ACT legislation weighs the national legalization of cannabis in relation to racial-equity and benefits for small businesses, EARN-IT: Cannabis seeks to provide opportunities to professionalize the industry and provide greater opportunities to underserved communities to benefit should this bill become law. This additional element to EARN-IT was added to coincide with the timing of the MORE ACT legislation; which overlooks the education, training and business component.

EARN-IT: Cannabis provides a "new vision" for dealing with existing socioeconomic challenges in underserved districts across America including Texas Congressional District 30; while considering the ongoing cannabis legislative efforts. EARN-IT: Cannabis is a merit-based approach through education, training, and business opportunities to ensure that underserved majority-minority districts across this country have a seat at the table in this emerging market. Every community deserves the right to be successful and Congressional District 30 is no different.

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