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JOHN HUDAK
DIRECTOR

February 27, 2023

Dear AUCP Stakeholders,

I am writing today to update you on the status of contract amendment negotiations with Metrc regarding batch tracking. The shift toward batch tracking was a significant change not covered under the State's existing contract with Metrc, and therefore a contract amendment was required to implement the change from individual plant to batch tracking. The Office of Cannabis Policy (OCP) initiated amendment negotiations with Metrc immediately following the passage of P.L. 2021, ch. 628 (LD 1817).

When I started as Director of OCP at the beginning of the year, it was made clear to me that revitalizing amendment negotiations with Metrc regarding batch tracking was an important and urgent priority as previous rounds of negotiations had stalled. I was able to bring fresh perspective and, as we returned to the negotiating table, focused efforts to address some fundamental challenges presented in earlier discussions. Specifically: 1) any amendment could not result in significant cost increases to the State or licensees; 2) the reconfigured system could not create inherent advantages for larger operators over smaller operators; and 3) the resulting system must continue to facilitate the regulatory requirements of OCP's compliance team.

With those goals in mind, we fully reset negotiations. While I am sensitive to the fact that time has passed since P.L. 2021, ch. 628 took effect in August 2022 and that concerns have arisen about the ability of the adult use cannabis industry to compete with the unregulated and underregulated markets, there was an obligation to the state and to the system to get the negotiations right.

Additionally, the shift to batch tracking—a first-in-the-nation model for cannabis inventory tracking—requires a technological build out, which of course, takes time. While we are continuing to negotiate final details of the contract amendment, I am pleased to report that we have reached a broad agreement with Metrc on the terms of a batch tracking system. We are currently in the final negotiations around the precise details of the technological build out, such that the system is as functional for licensees as it is for our compliance team members.

It has been OCP's goal all along to provide details of the program as soon as an agreement is finalized. That remains our intent. At this time, I cannot provide a precise timeline for when the agreement will be finalized, but OCP is driving toward that goal. Once the amendment is executed, it will be a public document and OCP will communicate to stakeholders a timeline for and instructions regarding the implementation of batch tracking in Maine.

Thank you,

A handwritten signature in black ink, appearing to read "John Hudak".

John Hudak
Director