Chairman Rulli, Vice Chairman Schuring, Ranking Member DeMora and members of the Senate General Government Committee, thank you for the opportunity to provide opponent testimony on Senate Bill 9. My name is Scott Jared and I am the Chief Executive Officer for CP Labs Ohio, a licensed Ohio medical marijuana testing laboratory.

As I testified before the committee previously to share my opposition to the as introduced version of the bill, I plan to keep my testimony today brief. Prior to that testimony and today, we have worked with our colleagues at each of the licensed labs in Ohio to review the proposed testing language and provided members of the Committee with comments and suggestions supported by all of the labs.

First, I would like to thank co-sponsors Sen. Huffman and Schuring and the other members of the Committee for your efforts to improve the Ohio Medical Marijuana program. CP Labs entered the Ohio market with the intent to provide a premium science-focused laboratory to the Ohio market. In doing so, we strive to become a standard for ensuring patient safety as well as to provide Ohio's cultivators and processors value with the scientific accuracy and reliability to safely improve their processes as they bring products to market. With this focus, we wholeheartedly support your efforts to improve the transparency, accuracy and consistency of the Ohio testing requirements.

Unfortunately, we do not believe the testing language in the new version will improve testing accuracy and patient safety. We believe its primary impact will be to significantly increase costs for Ohio's testing labs and subsequently its patients as those costs are passed through by processors and cultivators.

Our biggest concern lies in lines 2656-2675 of the revised bill. After review by counsel, we understand that if passed as drafted, Ohio's licensed testing labs will be required to comply with all of the standards listed—ASTM, AOAC, ISO 17025 and those adopted in rule by the Division of Commerce including the specific standards listed for ASTM and AOAC.

The consequence of this will first be to require duplicate testing of samples as some of the standards listed have variations in standards for procedures to conduct the same type of test. For example, potency procedures are addressed in three of the standards listed, one by ASTM and two by AOAC. To comply with all would require duplicative processes without improving the accuracy of the results.

In addition to duplicative testing, the standards have duplicative requirements related to lab operations. Specifically, two of the ASTM standards listed apply to Quality Management Systems and Laboratory Operations subjects already required in the standards under ISO 17025 which is a condition of licensing by the Department currently. This will force testing laboratories to undergo a significant amount of additional administrative work to ensure compliance with a significant expansion of regulatory requirements without providing additional value in terms of improving quality and integrity of laboratory testing results.

The second consequence of requiring compliance with all of the standards listed will be the inability for Ohio's testing labs to use the most accurate testing methods available to ensure patient safety. Cannabis product safety testing is a rapidly evolving scientific discipline. Some of the ASTM and AOAC standards listed have already been surpassed by other methods for accuracy which have been adopted by Ohio's licensed testing labs. In effect, complying with the standards listed will require a step back in in some tests' efficacy today and prevent the adoption of better scientific patient safety methods in the future.

Combined, this all equates to significantly increased costs. The ASTM standard on potency requires testing on a LC-MS instrument. The industry has adopted HPLC as the most accurate and precise instrument for cannabinoid potency testing and all Ohio labs currently use this equipment. Each LC-MS costs approximately $500,000. To comply with this standard alone will cost each lab at least $1MM to meet capacity and redundancy requirements. With some of the standards increasing prep, runtime and administrative compliance by as much as twice what it is today, we expect total cost to each lab to implement the new requirements to exceed $2MM in capital and operating expenses.

We are in full support of additional investment to improve patient safety, testing reliability and accuracy. We do not believe Senate Bill 9's requirement to comply with all of the standards provided achieves this goal. Instead, these costs would ultimately be passed on to patients without delivering material additional benefits.

In light of this, I would ask you to consider two changes to the revised bill.

-- First to change the language in lines 2656-2675 to specify compliance with one of the listed standards bodies—effectively adding "Or" between each of the bodies on the list provided.
-- Second, the addition of the Department hiring two full-time scientific experts with education and experience in the scientific disciplines of our industry to implement an ongoing review and audit program of Ohio's labs to ensure adherence to stated methods. This addition will also provide qualified review of new proposed methods as they evolve.

Thank you for your time and consideration of these recommendations. More so, thank you for your work to improve the Ohio Medical Marijuana program, patient safety and the accuracy and reliability of its testing labs. We certainly share in this goal and are happy to be a resource at any time if we can be of assistance.

Respectfully,

Scott Jared
CEO
CP Labs Ohio