



**COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
CANNABIS COMMISSION**

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A regular meeting of the CNMI Cannabis Commission will be held on **Friday, March 25, 2022 at 10:30 A.M.** at the Office of the CNMI Cannabis Commission Conference Room located at Ascencion Ct., Bldg. 1341, Capitol Hill, Saipan.

**AGENDA**

- I. Call to Order
- II. Roll Call/Determination of Quorum
- III. Consideration and adoption of Agenda
- IV. Consideration and adoption of Minutes from prior meetings
- V. Public comment
  
- VI. New Business
  - a. Outreach enforcement training for DLNR staff
  
- VII. Old Business
  - a. Request for Proposal / Invitation to Bid: Cannabis Tracking System
  
- VIII. Managing Director's Report
  
- IX. Executive Session
  1. Legal matters – AAG
  
- X. Adjournment

Copies of this notice and agenda have been posted at the Administration Building Entrance Hall, the House of Representatives Entrance Hall, the House of Senate Entrance Hall and [www.cnmicannabis.org](http://www.cnmicannabis.org), the CNMI Cannabis Commission's official website.

Written comments on the agenda may be submitted to the Office of the CNMI Cannabis Commission located at Ascencion Ct., Bldg. 1341, Capitol Hill, Saipan or emailed to [info@cnmicannabis.org](mailto:info@cnmicannabis.org) on or before the meeting date. Oral testimony may also be presented during the meeting on Friday, March 25, 2022.

**CNMI Cannabis Commission**  
**Regular Session Meeting Minutes**  
**March 25, 2022**

**I. Call to Order**

Chairwoman Nadine Deleon Guerrero called the CNMI Cannabis Commission's meeting to order at 10:34 a.m., which was held at the Office of the CNMI Cannabis Commission Conference Room located at Ascencion Ct., Bldg. 1341, Capitol Hill, Saipan.

**II. Roll Call/Determination of Quorum**

Chairwoman announced that Vice Chairman Mathew Deleon Guerrero would be joining the meeting momentarily and then called roll of the commissioners:

Secretary Journie Hofschneider, representing Tinian, was present;  
Treasurer Valentino Taisacan, representing Northern Islands, was present;  
Member Thomas Songsong, representing Rota, was present.

Chairwoman announced that four commissioners were present via Zoom video conference, including the presence of AAG Keisha Blaise and Managing Director (MD) Monique Sablan, and confirmed quorum of the commissioners.

**III. Consideration and adoption of Agenda**

Chairwoman asked that if there were any amendments to the agenda, otherwise, the commission would move forward with its adoption.

Secretary motioned to adopt the agenda, seconded by Treasurer. All commissioners voted in favor of the motion, motion carried.

**IV. Consideration and adoption of Minutes from prior meetings**

Chairwoman recognized that there seemed to have been issues with meeting audio files and not expecting it to be resolved within the week.

MD apologized and explained that attempts to upload audio files to the shared folder kept halting; it is contained in her computer and will seek alternative methods to provide them.

Chairwoman asked the MD if the audio files were large. MD acknowledged that they were because meetings were lengthy and that some files were recorded with an older recorder. Chairwoman acknowledged.

Chairwoman announced for the record that Vice Chairman entered/joined the meeting via Zoom, and then stated that on the issue of minutes and meeting audio files, was there any motion to be made on the matter.

Vice Chairman motioned to table adoption of prior meeting minutes to the next meeting, seconded by the Secretary. Chairwoman asked if there was any discussion; hearing no comment/discussion, all commissioners were in favor of the motion, motion carried.

## **V. Public Comment**

Chairwoman opened the floor for public comment. MD subsequently reported that there were no members of the public present for public comment. Chairwoman announced the same for the record.

## **VI. New Business**

### **a. Outreach enforcement training for DLNR staff**

Chairwoman explained that this agenda item was added because of an interesting conversation she engaged in with an unknown individual who approached the Department of Lands and Natural Resources and asked questions about cannabis; apparently, a certain DLNR staff is misinformed because it was mentioned that marijuana cultivation for personal use was permissible, without mentioning the need to apply under the Homegrown Marijuana Registry.

Chairwoman stated that she does not know the exact conversation/situation that took place with DLNR and that it may be worth including the DLNR in the MD's educational outreach program, and expressed that not all DLNR staff may think the same way as that one particular individual, perhaps it was some sort of confusion.

MD acknowledged and explained that although the training sessions are tailored for enforcement personnel, the DLNR may pick up on the applicable informational parts of the PowerPoint training sessions and that DLNR's outreach could take place in May 2022, depending on the Chief Prosecutor's, Mr. Chester Hinds, availability and before training sessions are initiated on the islands of Tinian and Rota.

Secretary asked that she would like to see sometime in the near future, especially with the trainings with the Department of Public Safety and visiting the different islands, the possibility the creating informative posters for public information/outreach and through radio on information about the dos and don'ts of cannabis and referring to the CNMI Cannabis Commission for information; there seems be to misconceptions now that

cannabis is legal; based on her conversations with people, they seem to think that they can consume cannabis anywhere, and were surprised to learn that they cannot light it up anywhere in public places.

MD agreed with the Secretary and explained that the concept behind starting her training sessions with law enforcement personnel is because front liners usually encounter occurrences of illegal activity, i.e., consuming in public, etc.; the training is set up so that if law enforcement stumble upon someone who is not in compliance with the cannabis law, a warning will be issued first and who in turn will inform the commission of the incident so that the commission can take appropriate measures and work with the individual to come into compliance with the cannabis law, for example, provide the opportunity for an unpermitted personal home grower to come into compliance, etc.; after the law enforcement trainings are completed with DPS and Customs, educational outreach in schools with law enforcement personnel is being considered since this is something the DPS typically does when they visit schools to conduct outreach with students and teachers, and that she is also working on an educational campaign.

Secretary acknowledged the MD's great work and expressed that public outreach would be helpful for community information. Chairwoman agreed and mentioned that information such as frequently asked questions posted in certain places would be beneficial as well.

Vice Chairman shared his thoughts that because there are all these associated agencies, it may be unreasonable to schedule a full information training session with everybody that need to know what the cannabis law states, and suggested something like a recorded presentation with a link that can be sent to them; the commission does its part to educate people what the law is, but also they shouldn't be breaking the law without knowing, it should be understood before anything is said to somebody what the law actually says; perhaps that is another option, if there is a recorded presentation, there is sort of what you want to talk about and perhaps record it Mr. Chester Hinds, and have that available for other agencies to take a look at as a way to sort of save time and effort of the staff on these training sessions.

MD explained that the reason why she scheduled multiple training sessions with the DPS and Customs is because she wanted to hit specific divisions or department, such as patrol officers for instance, because conversations in the last few training sessions were very informative in which nitty gritty questions were asked, which she was not necessarily able answer and yielded to the Chief Prosecutor, Mr. Chester Hinds, so that law enforcement personnel have greater understanding as to the appropriate actions to take; for smaller agencies such as the Department of Commerce's ABTC enforcement staff and

DLNR that are not really charged to enforce cannabis law, recorded informative training would make sense.

Vice Chairman agreed with MD that it makes all the sense for law enforcement officers to engage in the training sessions because of their involvement with cannabis enforcement.

MD continued detailing that the initial law enforcement trainings with upper level management, she hoped would have trickled down to lower echelon law enforcement staff but it did not, that is why she found it imperative to have multiple training sessions with front line law enforcement staff, because they are now better educated and aware about the subject matter, and were able to assist Customs enforcement staff in a recent cannabis incident in an advisory capacity because of the knowledge gained from the training session.

Chairwoman acknowledged the Vice Chairman's webinar idea and the MD's testimonial, and expressed that the reason DLNR was raised as another agency to consider in the training sessions is that they have a law enforcement section that perform field duties and may stumble upon cannabis plants/plantations, including the fact that DLNR was charged with the administration of the CNMI's hemp industry; there could be some confusion between cannabis marijuana (above 0.3% THC) and cannabis hemp (0.3% or less THC), and thought that with the help of Mr. Chester Hinds, it could help clarify the legality and illegality of the two different yet similar cannabis species; to be clear, she is not saying that every governmental agency needs to receive this informative training, but that DLNR's enforcement and agriculture sections are relevant to receive training.

Chairwoman asked if there were any questions with what was discussed. Member Songsong added that DLNR's enforcement staff (the Division of Fish and Wildlife) are graduates of the Department of Public Safety's police academy and are legally able to make arrests within their jurisdiction, in essence they act as bush law enforcement mostly on public lands, that is where they may stumble across cannabis guerilla growers on public lands and are able to report those findings to the appropriate authorities; additionally, the Division of Agriculture perform field work in the conduct of agriculture crop surveys on private farmland [or rented public land for agricultural purposes from the Department of Public Lands], and they also may come across legal or illegal cannabis cultivation, so it may be beneficial and important for these two DLNR divisions to participate in the informative cannabis training sessions.

Hearing no further comment/discussion, Chairwoman moved to the next agenda item.

## VII. Old Business

### a. Request for Proposal / Invitation to Bid: Cannabis Tracking System

Chairwoman stated that she has been working on the draft request for proposal (RFP), which will be circulated to the commission members upon its completion, and asked for input/suggestions on several items contained in the RFP (bulleted below), the first being:

- Under the cannabis tracking system proposal evaluation, a scoring system based on a 100% evaluation scale is proposed for the selection of a CTS vendor for the implementation of the commission's CTS as follows:
  - 40% company experience and integrity;
  - 10% cost;
  - 25% project schedule (CTS implementation timeline); and
  - 25% product quality.

Chairwomen asked the board members if this scoring system was acceptable or prefer an alternative.

Member Songsong asked if a CTS's user friendliness or ease of use was considered with the system's evaluation as he wondered about the complexity of the system's use by small scale cultivators (or traditional farmers/gardeners) that are not necessarily adept with today's electronic technology. Chairwoman replied that ease of use was a good point, which would fall under product quality, in addition to considering a company's experience and years of CTS operation.

Vice Chairman shared his thoughts that there are two important issues for consideration, the first being *cost per user*, which may already be covered in one of the scoring areas, and the other being *timeline for implementation*; what does the vendor propose being the quickest timeline in which the system can be mobilized and launched; for the time period that the commission is in, it would be a good idea for consideration.

Chairwoman stated that the commission is going with the Request for Proposal (RFP) instead of an Invitation for Bid (ITB), because with an ITB, price/cost is the main driving point.

Vice Chairman mentioned that with RFPs, there can be price reconsideration, but one cannot be selective by parts; there has been RFPs with cost in its evaluation criteria, but it is not the sole determinative of who is selected; and it is not necessarily the cost for the commission either, it is also the cost for the users, how much each licensee will have to pay for the system's use.

Chairwoman acknowledged and reiterated that 10% will be evaluated for cost with vendor selection, which is the reason an ITB was not preferred, because it is solely determined upon the lowest bid and not taking into account what the commission seeks in a CTS; with project schedule being evaluated at 25%, it incorporates the Vice Chairman's point in determining how quickly a CTS can be implemented.

Vice Chairman reiterated that there are two separate costs being considered, one for the commission and the other for licensees, and which cost would the commission value more, unsure of the commission's budget for a CTS, but to ensure the commission is clear and up front that maybe both costs have bearing into that requirement, or that we care about the vendor's ability to provide the service for the least amount of cost to the licensees for example. Chairwoman acknowledged the valuable point raised by the Vice Chairman.

Chairwoman continued discussion on the CTS vendor evaluation/scoring system, i.e., company and experience evaluation at 40%, suggestions for CTS user costs between the commission and licensees, etc.

Chairwoman raised the second item needing input on the portion of the RFP indicating:

- The CTS vendor must have a CNMI issued business license in order to endorse CNMI government contract.

Chairwoman expressed uncertainty if any cannabis tracking system businesses existed on island to provide the service and, if any, will meet qualification standards; this may need consideration if there are no such businesses on island and opened to vendors outside the CNMI; it is uncertain how this will work with the procurement office, however, she will be meeting with them this afternoon to touch on this topic and the RFP.

Vice Chairman indicated that there may be under the procurement law that vendors are required to have a CNMI business license, it is typical for off island firms in order to obtain CNMI contracts for purposes of taxation primarily, CNMI sourced income, and most off island firms that do projects in the CNMI do have CNMI business license, however, it is something to verify with the procurement office.

Chairwoman raised the final item in the RFP needing input was if it would be acceptable that:

- The CTS vendor will have a minimum period of performance of three years for the period 2022 to 2025.

Chairwoman indicated that it may not be preferable having an annual contract, because as the commission acquaints itself with a certain CTS, it would be time for contract renewal; similar to the commission's website, by the time it was up and running and all its functionality tested, it was time to renew subscription; so a three year CTS performance period may be a preferred time frame to have the CTS implemented, its nuisances figured out, and provide for ample time to familiarize and figure if a particular CTS would be suited for the commission.

Chairwoman asked the MD that she would appreciate her input on the matter as well as since she collaborates with licensees on cannabis tracking and how their contracts are set up with online cannabis tracking or point of sale systems.

MD replied that the contracts that licensees have with Logistics or IndicaOnline are month-to-month subscriptions, and that she read a couple CTS contracts to gauge how licensees do theirs; the State of Oklahoma, for example, has a ten year contract, while Massachusetts has a six year contract, and suggested that for the CNMI Cannabis Commission, particularly because of the CNMI's location and possible setbacks in terms of what stateside CTS companies can actually setup or offer the CNMI, a four to five year contract might make sense, and expressed foreseeing the CTS setup and operational taking longer than one year, by first setting up the island of Saipan, then moving on to Tinian and Rota; after the fourth or fifth year, the commission can then determine if it would want to renew its CTS contract; this time frame could provide the opportunity to gauge the CTS's functionality, determine if other options are available, and possibly realize cost savings with a longer contract period.

MD furthered that in talking about funding for a CTS, it would be a great idea to provide data, to have ample time to provide data to the legislature to support CTS funding; and if the proposed regulatory revolving fund is approved, which is a proposed statutory amendment to the cannabis law, the commission may tap into that to fund a CTS or it may be outsourced through appropriation or earmarked if the legislature is enticed to consider it.

Vice Chairman added that he is not sure what the requirements would be for putting out a timeline into the RFP versus what the ability would be to negotiate and talk within the contract base, something to talk about with the procurement office, it could be a multi-year contract without a specific time frame and then working that through within the contract phase based on their submitted timeline.



Chairwoman indicated that her thoughts with a multi-year CTS contract is that once funded, it would reduce the commission's repetitive fiscal year requests to the legislature for CTS funding, versus an annual CTS contract where the commission would not know if it would have the budget for a CTS, or if the commission's proposed revolving fund would be approved.

Discussions continued on CTS funding issue/source, legislative appropriation, fiscal year budget limitations, multi-year CTS contract, and the commission's proposed revolving account, meeting with the procurement office for contract details, and finalizing the draft CTS RFP for review.

Chairwoman asked if there were any questions or matters to raise regarding the CTS and RFP; hearing no comment, Chairwoman moved to the managing director's report.

### **VIII. Managing Director's Report**

MD reported the following bullet points:

- Updated the commission members of the applications moving through the processes that an approval-in-principal letter was recently issued to a Producer Class 3 applicant and that a withdrawal/denial letter was issued to an applicant who withdrew his application, which was mentioned in the commission's previous meeting;
- Working on some sort of presentation or stakeholder conference during the week of 420 (April 20<sup>th</sup>), that could coincide with other activity during the week; the proposed idea would revolve around the law enforcement training, cannabis education stakeholder conference or cannabis conference with stakeholders such as CHCC, DPS, DLNR, Saipan Chamber of Commerce, etc., perhaps three to five representatives from different agencies, where the commission will be presented, including the cannabis law and regulations, license types, in addition to having a panel of board members to answer regulatory questions if the board desires to do so, which would be helpful for major stakeholders; the AAG and Chief Prosecutor are also being considered for inclusion on the panel, and possibly a producer or retailer showcasing product, if at all legally possible;
- Suggested that the micro-producer requirement be revisited in the future and tailored towards the community at large in that micro-producers are restricted to sell only through wholesalers where there is none licensed/present; although micro-producer applicants may be encouraged to upgrade to a Producer Class I license, they may be financially unprepared to tackle the additional cost; some questions to requirements is

that do they really need to post micro-producer signboards around their cultivation premises, and in terms of standard operating procedures, do their SOPs and scope of operations need to be in depth, is it necessary for them to provide the commission data on their estimated water and power usage, etc.; in other words, make it less complicated, less cumbersome with requiring for a detailed scope of operations for a small cultivator, who will typically be the small farmers/gardeners who do not have the financial capability to engage in larger operations, accounting, asset acquisition, not electronically literate, etc., something for consideration.

Secretary expressed the importance that micro-producer concerns were brought up, that the commission may have experienced things with micro-producer applicants or the community that may need to be looked into, what the value is of what the commission is asking from micro-producers, is it part of the statute or is it something the commission can change, it is worthy that these issues are being noticed that need to be considered.

MD indicated that she resubmitted the commission's draft zoning house bill that was prepared about two years ago because she learned that the Saipan zoning law is again being considered for amendment; since the legislature is discussing zoning amendments, she wanted the commission's concerns with the zoning law noticed, however, she has not received a response to date; what the commission's proposed amendment to the zoning law would do for micro-producers, if enacted, would allow the cultivation of marijuana anywhere, including residential areas, and the issuance of a permit instead of a license, which would alleviate them from acquiring all other types of requirements such as signage, etc.; there are a lot of obstacles that these small cultivators have to contend with which hinders their ability to effectively engage in the cannabis industry; it is a suggestion for future conversation.

Vice Chairman added that there are two ways to look at it, in Saipan, the zoning requirements are a deterrent, but in the same token in Tinian and Rota, it is unsure if there has been any interest in having a micro-producer license, even in the absence of zoning; and so what are those issues in particular because they (Tinian and Rota) don't have the wholesaler requirements, they don't have the zoning requirements, are there any issues without those big ticket items that are preventing the development of those licenses there, and those may be good areas to focus on.

MD explained that she may be to be blamed for the lack of educational outreach in the islands of Tinian and Rota, however, she still hopes in planning her trip to those islands in May 2022 to provide for public information and outreach; she mentioned that it is possibly easier in those islands to do homegrown and micro-producer, however, it could possibly be the lack of educational information on how to go about doing these things.

Secretary added that in almost every conversation that she has been engaged in, the topic of inter-island transport of marijuana was always raised, explaining what the options are, as well as the state of tourism in this time of the pandemic; however, without zoning (on Tinian), it is much easier to gain a license if they are willing to take the risk, or having a business plan that does not revolve around or bank on inter-island transport or tourism.

Vice Chairman added that it seems micro-producers would be the ideal market even for the risk at first because the period of growing at such a quantity supplies for local consumption without the need to or the excess capacity to even export at that level.

MD stated that she concludes her report with no further updates, application processes is moving forward, commission staff are scheduling its April inspections, and that she would like to discuss a subject matter with the commission board members in executive session.

Chairwoman acknowledged the MD and then motioned to move into executive session for discussion with the AAG regarding licensee violations, seconded by the Secretary. All commissioners voted in favor of the motion, motion carried. Chairwoman announced the time entered into executive session at 11:27 a.m.

## **IX. Executive Session**

### **1. Legal matters – AAG**

Chairwoman announced exiting executive session at 12:00 p.m., and that the topic of discussion related to licensee violations and proposed actions moving forward.

## **X. Adjournment**

Chairwoman announced that the commission's next scheduled meeting is set for Friday, April 29, 2022, and then opened the floor for any discussion.

Vice Chairman mentioned that in relation to the budget, the commission may have personnel item added to the next meeting in executive session. Chairwoman acknowledged and asked if there were any other matters for discussion.

Member Songsong asked the Chairwoman if the commission would like to make a mention about an email received inquiring about pesticide use on cannabis.

Chairwoman acknowledged that she received an email through the commission's website seeking clarification about pesticide use on cannabis, which was shared with the MD and

Member Songsong, and asked the MD if Member Songsong could assist her in addressing that inquiry.

MD acknowledged and mentioned that the email seemed to have derived from an 800 number from Garlic Valley Farms, and apparently they produce garlic butter spray sauces; she will reach out to them first via email and include Member Songsong.

MD asked the Chairwoman that perhaps in the next meeting, with Member Songsong's guidance, is to do an amendment to the regulations that includes a pesticide section, and added that she received emails from Member Songsong explaining breakdowns and expectations for producer licensees in relation to pesticide use; the only thing that is asked from licensees or applicants is their pesticide list and that a thorough list would be preferred, and perhaps, the commission could reference items listed from the Environmental Protection Agency's pesticide list.

Member Songsong asked the MD if she had already initiated requests from producers of pesticides being used or plan on using.

MD acknowledged that she has requested for producers pesticide list and what she is looking to do for the producers' monthly report, which is being amended is to add several more things to the report such as pesticides or organic nutrients, etc., that are being used during the month so that there would be recurring information received; she received a few listing of pesticide types but not every licensed producer submitted such as Max Farms and Primo Farms. A brief discussion followed on Max and Primo Farms' cannabis cultivation activity and harvest.

MD raised an issue she would like to discuss in her next report with what the commission is facing in terms of licensees and their applications with the zoning agency is that she is noticing that any changes, whether minor or major, to an applicant's initially submitted layout plan on their premises, usually requires them to go through a conditional use permit with zoning all over again, meaning there is no amended zoning permits, the applicant would have to go through the whole zoning process again, i.e., resubmittal of new application, repayment of fees, public hearing, etc., and that she will be meeting with the zoning agency to understand why is that the case with their process. Chairwoman acknowledged.

Vice Chairman raised a point relating to pesticides is that the commission initially had in its longer regulations a section on pesticides and agricultural chemicals, which a copy will be provided to the MD.

Hearing no further discussion, Chairwoman motioned to adjourn meeting, seconded by the Vice Chairman. All commissioners voted in favor of the motion, motion carried. Meeting adjourned at 12:10 p.m.