

May 8, 2020

The Honorable Nancy Pelosi
Speaker of the House
United States House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
Washington, DC 20515

Dear Speaker Pelosi and Leader McCarthy:

We are writing with an urgent request related to the health and safety of Americans, and the stability of hundreds of small businesses around the country. Collectively, we represent consumers, patients, and thousands of state-regulated and ancillary cannabis businesses. This industry, composed primarily of small to medium-sized businesses, continues to provide safe cannabis medicine to more than 3 million medical cannabis patients in the United States.¹ Despite the essential designation in most states, these essential businesses lack access to the financial services necessary to optimize social distancing measures to ensure the safety of medical cannabis patients, workers, and the public.

The cannabis industry lacks access to banking services that could eliminate cash transactions and minimize virus transmission. The status of cannabis as a Schedule I drug under the Controlled Substances Act blocks legitimate cannabis-related and ancillary businesses from accessing vital financial services, forcing them to operate in an all-cash environment. In 2019, it is estimated that sales of cannabis in the United States topped \$12 billion²-- the vast majority of which were cash transactions. Previously, this situation created an unnecessary public safety risk and undue safety burden on state and local tax and licensing authorities who must receive and process large cash payments. Now, as recent reports show that viruses can live on cash for up to 17 days,³ the public safety concerns of this cash-only system compound. The lack of access to financial institutions places industry workers, government employees, and the public at-large at risk as banknotes circulate from consumers and patients to businesses to government.

In addition to the risk of banknotes as a vector for spread of the virus, cash transactions reduce the effectiveness of social distancing measures. State cannabis businesses proactively implemented social distancing measures including limiting the number of employees, patients, and consumers in dispensaries and, where permitted, switching to delivery and curbside pick-up. Unlike other essential industries with access to remote payment processing and the use of credit cards to make a transaction entirely contactless, an industry limited to cash transactions must do business in close proximity to the public, including immunocompromised and otherwise medically vulnerable patients. Recognizing the risk of cash transactions, Congress has even made efforts to move away from cash payments⁴ in favor of safer electronic transactions, which by definition are unavailable to cannabis businesses.

¹ "Medical Marijuana Patient Numbers," MPP at:

<https://www.mpp.org/issues/medical-marijuana/state-by-state-medical-marijuana-laws/medical-marijuana-patient-numbers/>

² "2019 Was A Big Year For Legal Cannabis," *Benzinga* at:

<https://www.benzinga.com/markets/cannabis/20/02/15246573/2019-was-a-big-year-for-legal-cannabis>

³ "Top 10 Things You Didn't Know About Money," *TIME* at:

http://content.time.com/time/specials/packages/article/0,28804,1914560_1914558_1914544,00.html

⁴ "COVID-19 Concerns Prompt New Interest In Cashless Payments," *Roll Call* at:

<https://www.rollcall.com/2020/04/28/covid-19-concerns-prompt-new-interest-in-cashless-payments/>

The lack of access to banking also prevents legitimate cannabis-related businesses from obtaining emergency relief or securing bank loans to continue providing safe medicine and jobs to their communities. Despite essential designations, many cannabis businesses will struggle to remain operational without access to traditional banking products and services. While some businesses saw a brief spike in revenue at the beginning of the pandemic, this was not an industry wide trend and revenues across the industry have since plummeted. If businesses cannot access the resources to remain operational, patients would be forced into the illicit market of unregulated medicine and transactions. The closure of legitimate businesses would also result in lost state tax revenue.

To address these urgent health and safety concerns and ensure jobs and the stability of small businesses, we request the Secure and Fair Enforcement (SAFE) Banking Act, or substantively similar language be included in the next coronavirus relief package, allowing cannabis businesses to access traditional banking products and services.

The House passed the SAFE Banking Act last fall by a bipartisan vote of 321-103. The realities of COVID-19 have amplified existing public safety concerns surrounding cash-only transacting, underlining the need for access to cannabis-related businesses. We respectfully request that you include the Secure and Fair Enforcement (SAFE) Banking Act, or similar language in the next coronavirus relief package, to ensure these essential businesses have access to the financial services necessary to ensure the safety of medical cannabis patients, workers, and the public.

Sincerely,
Americans for Safe Access
Global Alliance for Cannabis Commerce
Marijuana Policy Project
Minority Cannabis Business Association
National Association of Cannabis Businesses
National Cannabis Industry Association
National Cannabis Roundtable
National Organization for the Reform of Marijuana Laws
Policy Center for Public Health and Safety
Safe and Responsible Banking Alliance

