

Chairman Wilde, Vice Chair Leif and Vice Chair Lively, members of the committee, my name is David Fuegy. Thank you for your time and consideration today.

Together, my mother and I own Rip City Delivery. True to our name, Rip City Delivery focuses exclusively on delivery to customers. We are licensed as a cannabis retailer by the Oregon Liquor Control Commission, and as a Retail Cannabis Courier by the City of Portland.

I am here as a proponent of House Bill 2519 because I believe it would help even the playing field between large dispensary chains, and small one-shop retailers like Rip City Delivery. In order to understand the issue I am addressing today, it is important to understand that each OLCC licensed cannabis retail location is required to have its own individual retail license. So, if a dispensary chain were to operate under the same name at multiple locations, they would still need to hold an individual retail license for each store.

Page 39 of the Division 25 OLCC cannabis regulations stipulate that, "A retailer may deliver marijuana items only to a location within: (A) The city in which the licensee is licensed."

This regulation strongly favors large cannabis retail chains. Any cannabis dispensary chain can offer delivery services to an area of their choosing unconstrained by city limits as long as they have a licensed cannabis retail establishment in each municipality of their chosen delivery area.

Hypothetically, if there was a dispensary chain offering delivery services with a Portland location and a Beaverton location, their Portland location would only be permitted to deliver within Portland city limits, and their Beaverton location would only be permitted to deliver within Beaverton city limits. Effectively this would allow that dispensary chain to accept orders on a centralized platform to residents in Portland and Beaverton simultaneously.

Conversely, some single location retailers are greatly affected by the current cannabis delivery regulatory framework. They are often forced to turn down potential customers who reside only minutes away, but within a separate municipality. No one is more adversely affected by limiting retail deliveries to the city in which the licensee is licensed than those who hold just one retail license.

They are effectively restricted from participating in the marketplace as their some of larger competitors do simply because of a technicality which does not seem to serve a meaningful purpose.

I think this effect is unintentional, but it is unfortunate any statewide regulation would benefit the larger operators of an industry, while being most detrimental to the smallest operators.

As a cannabis retailer in Oregon, Rip City Delivery operates in a very competitive marketplace. The ubiquity of cannabis retailers in Oregon is a secret to no one. In fact, five Oregon cities rank in the top ten nationally on the basis of cannabis retailers per capita. They would be: (2) Medford, (4) Eugene, (6) Portland, (8) Salem, and (10) Bend. As I like to say, if you can make it as a cannabis retailer in Oregon, you can make it anywhere.

House Bill 2519 seeks to even the playing field between large retail operators and small ones by removing an unintended advantage in delivery given to large chain retailers operating multiple dispensaries located in adjacent municipalities.

Limiting our delivery area to Portland has affected Rip City Delivery tremendously. Our sole retail facility is located approximately 5 minutes east of Portland's western boundary. If one were to examine our delivery area from a purely logistical standpoint, our radius would likely include Beaverton, Tigard, and unincorporated Washington County in addition to our current delivery area.

It is a daily occurrence that we must turn down delivery requests from prospective customers who are nearby yet reside outside of Portland city limits. To survive as a business, we have delivered 20 minutes to our east in NE and SE Portland, but we are prohibited from delivering to many who actually reside much closer to our facility.

At the other end of the cannabis retail spectrum is Nectar, operating 23 individually licensed retail locations in 5 separate municipalities including Portland and Beaverton. Additionally, there are many other cannabis retailers operating retail locations in adjacent municipalities around the Portland metro area.

Frankly, we would love, and appreciate the opportunity to compete with them unconstrained by the limitation of restricting delivery orders to within Portland, the city in which we are licensed.

In conclusion, I'd like to thank the committee for its time. I humbly ask you all to please consider the fate of small family-owned cannabis retailers in your consideration of House Bill 2519.