

December 4th, 2005

Honorable Clifford A. Joseph

Chair, Committee on Homeland Security, Justice and Public Safety

36th Legislature of the Virgin Islands

Thank you for the opportunity to provide testimony on the Amendment in Nature of Substitute (ANS) for bill #36-0105. Please be advised I will unfortunately be unable to attend this hearing in person due to unavoidable conflicts in scheduling.

My name is Lindsey Rithamel, co-owner of The Remedy in downtown Christiansted, a hemp-derived retail space that has been in operation for the last 6 ½ years.

On Wednesday, November 12th, 2025, President Trump signed into law H.R. 5371 that included significant amendments to the federal definition of “hemp” which materially alters the scope of its legal status. Specifically, they render the products that the ANS seeks to license federally illegal beginning 365 days after enactment.

The change in the federal definition will make the products this ANS is trying to create a separate licensing category for *cannabis*, not hemp, once enacted. They are therefore already set up to be sold in the coming, regulated cannabis market as our local definition of cannabis is tied to the federal definition of hemp. The ANS proposes adding a complex licensing structure for products that will be automatically reclassified as cannabis in less than a year.

While the bill sponsor is still choosing to advance this measure, it is important to recognize that once the federal changes take effect, even if a state or territory were to authorize manufacturing, interstate transport of these products would be illegal under federal statute, cutting off any supply chain into the US Virgin Islands (USVI) for retailers.

It is my opinion that the proposed ANS has become effectively moot. I wish to bring the following points to your attention:

- The ANS does not include any provisions establishing a manufacturing license category.
Currently, there are no manufacturers of these products in the USVI and to my knowledge, there are no cultivators of hemp. The success of this measure past the federal enactment date hinders solely on these two categories. If these businesses do not exist now under the current law where they could produce and sell these products anywhere in the United States under less restrictive laws and expenses, why would anyone choose to now start a business in these categories?
- The appeal for many businesses selling these products was their federal legality which:
 - o Allowed for interstate commerce to reach the entire United States \$25-30 billion dollar industry.
 - o Created competition that drove down costs.
 - o Provided an endless selection of product categories and options that a small island alone cannot replicate.
 - o Allowed businesses to claim their ordinary business expenses on their taxes and not just costs of goods sold alone.
- As drafted, the ANS will kill retailers with fees, taxes, and licensing costs.
 - o For example, a purchase that would have previously costs a non-resident \$50 would now cost \$79, resulting in an increase of 58%.
 - o Increased prices will have a severe impact on the number of sales.
 - o A retailer license fee of “up to \$50,000” annual is also not feasible based on market size.
- The ANS requires ISO certified lab testing and suggests reliance on UVI or accredited Puerto Rico labs, but there is currently no functioning ISO testing lab on island which would impose significant cost, delay, and complications for both compliance and enforcement.
- The bill sets a 90-day deadline for the Office of Cannabis Regulation (OCR) to promulgate ID, testing, packaging, and tracking rules while they are actively trying to roll out the

Cannabis industry; that timeline is unrealistic and risks poorly developed rules that create more enforcement and legal exposure rather than clarity.

However, I wish to offer one practical recommendation. Because the federal changes will not take effect until mid November 2026, the Legislature still has an opportunity to adopt a narrow, community focused measure that provides immediate benefit and clarity, while allowing businesses operating during this period to responsibly transition to other routes of income or close in an orderly manner.

I recommend advancing a concise bill requiring that an individual purchasing a consumable hemp product containing any cannabinoids be at least 21 years of age.

This limited action would serve multiple purposes.

- Create an enforceable, easy-to-understand safeguard for businesses and the public during the remaining days in which these products are still federally permitted.
- Align territorial policy with existing consumer-protection standards already established under law for tobacco sales.

Applying the existing tobacco sales framework to consumable hemp-derived cannabinoid products offers a clear, temporary solution that ensures regulatory consistency and simplifies compliance.

This approach protects minors, provides law enforcement with objective criteria, and allows the Territory to uphold consistent standards across all age-restricted products.

I appreciate the opportunity to contribute and look forward to continued collaboration on sensible and effective policy.

Sincerely,

Lindsey Rithamel

Co-Owner | The Remedy