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THE DOPE ON POT: COLORADO GOVERNOR JOHN HICKENLOOPER
AND KATIE COURIC IN CONVERSATION

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MS. BOONE: (In progress) – and so it makes me appreciate how significant this issue is for America. On the opening night of Ideas Festival, there was a wonderful joke by some of our speakers about how wonderful it was to be in the highest state in the country.

(Laughter)

MS. BOONE: And unfortunately, I think that Governor Hickenlooper deals with this all the time. It's either a boon for tourism or kind of a new image for this incredible state which is the healthiest state in the country by every other standard, obesity and everything else. And Colorado is being looked at and scrutinized by states across the United States now for liberalizing marijuana laws and other things. So I think this is a very apropos conversation.

Welcome to the afternoon of Aspen Ideas Festival. I'm going to turn it over to Katie Couric and John Hickenlooper. Thank you.

MS. COURIC: Thank you, Kitty.

(Applause)

MS. COURIC: Hi everyone. Welcome Governor. So nice to see you and I know a lot of people are interested in this topic and I know we're going to have a lot of good questions from the audience, but hopefully I have some decent ones as well.

So I know you initially opposed the statewide legalization of recreational marijuana. It's been 6 months. So how do you feel about it now? I mean, do you have the same reservations, have some of those been put to rest? Where do you stand today?

GOV. HICKENLOOPER: That is a good question. And first I want to – Kitty was talking about, you know, the brand and the mile-high city and you know, the highest state. Branding is always difficult, but one

great thing to be in Colorado is have the Aspen Institute and have the Ideas Fest here. So certainly there are those brands that sometimes dilute what you're trying to do like marijuana, but all of your participation here and having this kind of pressure cooker of ideas that lead to action is a very positive thing. We appreciate it.

I still have, you know, I mean, I grew up – came to be aged as an entrepreneur, and like I think most entrepreneurs try, to limit risk. And I oppose this, you know, because I saw so many risks especially with kids. And being the first state that does something, I mean, really I don't think there's another country on earth that's actually – we're not talking about decriminalizing, but actually legalize it, so you have to set up a regulatory framework and then a taxation system and all kinds of checks and measures.

There's just a lot that could go wrong. So now we're 6 months in. I think we've got the framework in a good place. We've learned a bunch of lessons as we knew we would. Some of the anxiety has been laid to rest. We don't see a giant spike in adult consumption. We don't think we see a spike in youth consumption although there are some indications that are disconcerting. But we are still – there's a lot more that we don't know about this than we do at this point.

MS. COURIC: Well, so what lessons have you learned? I solicited questions on Twitter and Colleen Perry (phonetic) asked, what is the best pro and the worst con since the marijuana law has passed?

GOV. HICKENLOOPER: Well, certainly we see a steady group of people using, you know, legal marijuana. And so there I think the black market has been – certainly not over, but it's been damaged. I think people willing to pay those taxes and go through the system of pretty rigorous regulation, every bid is rigorous as we use for alcohol production and distribution and retail.

So that part all has gone well, and I think we're going to have first year probably \$60 million or \$80 million which will allow us to address a lot of the issues, lot of our concerns. Downside, certainly I think the dramatic increase in edible marijuana was something that happened

faster and bigger, and when you're – you know, no one had ever worried about dosage sizes, right, or whether it's being put into candy that could – has no external – the original edibles that were coming out had no –

MS. COURIC: Labeling?

GOV. HICKENLOOPER: Not only labeling, once you take the packaging off, there's nothing that showed it was any different than candy. And so we've had – I mean, that – and you talk about alarming parents or elected officials, that's one good way to do it. So I say that part of it has been – the jury's still out, and our – at least for my part, my largest fear is still teenagers and people whose – young people whose brains are still maturing. So many of the neuroscientists around are very concerned about, you know, this high THC marijuana, what it can do to a brain that is still in the process of growing.

MS. COURIC: Well, there is a lot you just talked about, so let me just sort of pick each area. One is the tax windfall that you've received. I know that it's been a big boon to your state. Since January you've raised nearly \$11 million, and some experts predict the industry could rake in a whopping \$134 million. Is that right?

GOV. HICKENLOOPER: Yeah, I mean since it's never been done before, it's hard to get a good handle on, you know, the data that we're using to make these projections. It's like any retail business when you start up, you've got a surge of people buying in, then you have more retail outlets that are going to have a growth. But then there's a question of pull-through as they say it in retail. But how many people or repeat customers, how often are they going to buy? So that's probably on the high side for the first year, but something for the second year, I think it's reasonable.

This first year I think we backed off, and are thinking more something closer to \$80 million – \$60 million to a \$100 million, something like that. And we've been careful. It hasn't been a boon because we've managed to convince the legislature not to go in, and for all the laudable goals and things that need funding, right, early childhood education, improved public safety, you know, making sure we have

infrastructure investments. What we want to make sure is that that money, the first priority of it should be to make sure that we don't have kids slipping off the rails.

And you know, for kids who have bipolar, indication of bipolar, things like that, there's a lot of smart people that think all of a sudden the kid starts spending more time in the basement, all of a sudden the kid drops out of school, then the kid runs away from home. Once those kids get off the tracks like that, it is very expensive to reconnect them to a constructive life.

MS. COURIC: Right. And there are studies that show that if you're predisposed to things like schizophrenia –

GOV. HICKENLOOPER: Yeah.

MS. COURIC: – that you could be – you know, that this could put you over the edge.

GOV. HICKENLOOPER: Well, there's a high probability that it will at least accelerate the onset and exaggerate the symptoms of whatever that condition is. And it could be anything from severe bipolar disorder all the way through schizophrenia.

MS. COURIC: Let's talk about the edible problem because I know you recently passed a law, right, that had to do with labeling, and to better label these products because I guess 10 kids have ended up hospitalized as a result of ingesting marijuana in food.

GOV. HICKENLOOPER: Well, it's not just kids. Adults have had issues of – you know, part of the problem is –

MS. COURIC: Like Maureen Dowd.

(Laughter)

MS. COURIC: Right?

GOV. HICKENLOOPER: Like Maureen Dowd. You know, there's a good one-liner I could put in there, but I'm going to leave that off the set for a variety of reasons. The comedy night is tonight. I think -

MS. COURIC: Save it.

GOV. HICKENLOOPER: Yeah, I'll save it. The - even adults have - you ingest this, and it can sometimes take a couple of hours before you begin to experience the, you know, the relaxation and the so-called high. And so people take more. And you know, we're fortunate - it appears that most of the people using legal marijuana are people that were already using it. And again, we don't have a definitive study yet, but the anecdotal information suggests that we're not having a big spike in adult users which means we probably won't see more people going to the emergency room or more people driving while high or any of these other risks.

But we're still very concerned on it. And the edible part that you are describing for people that are using it for the first time, you know, one brownie was going to be - was having 10 doses in it.

MS. COURIC: Right.

GOV. HICKENLOOPER: The equivalent of 10 doses. Well, it may have been there on the writing, and someone who has never done this before and they think it's kind of harmless because it's legal and how bad could it be, it's a - you know, it's a serious drug at that concentration.

MS. COURIC: So how did the law change the labeling? Specifically if you're buying something that had, you know, edible marijuana now in the state of Colorado, how will that be more clear for consumers?

GOV. HICKENLOOPER: Well, basically it gave to our department of revenue the power to regulate this. And so they are immediately moving forward with rulemaking that's going to limit, you know, each pizza, each donut, each cookie, whatever the edible is, is going to be one dose, all right, so you won't have these massive

concentrations. And they're going to have clearly marked symbols. They're going to work with the industry to say, how do we clearly differentiate which brownie is laced and which one isn't.

And we've already had a number of candymakers that have said we don't want our candy anywhere near this, and if people begin using, you know, whatever, gummy bears or any kind of candy, those companies – the corporations that manufacture candy are going to fight back, which I think is a good thing, right? We want to make sure that, you know, kids going in and out of a movie theater – I had a friend who's – they've got a 12-year-old child and they came out of the restroom at the movies and the kid said, you know, some guy in there tried to sell me, you know, gummy bears for 5 bucks. They were going to – said it would give me a really great night. Well, if that's not every parent's nightmare, I don't know what is.

MS. COURIC: How concerned are you about smoking and driving, or I guess in this case eating and driving, right?

(Laughter)

MS. COURIC: How have you seen that sort of unfold because I know that a Columbia University study, in fact I pulled it for the purpose of this interview said that accidents involving marijuana – and this was before the legalization in your state, but I still think it's relevant because obviously if it's more accessible, it's going to be used more.

But Columbia researchers performed – performing a toxicology examination of nearly 24,000 driving fatalities concluded that marijuana contributed to 12 percent of traffic deaths in 2010, tripled from a decade earlier. So how concerned are you about smoking and driving, and what are local law authorities doing to kind of monitor that?

GOV. HICKENLOOPER: Sure. Well, it is hard to monitor, right, so it's not immediately apparent, you need a blood test to measure it. We passed the law year that said – and this was a big battle with the industry, they thought they were being picked on, but we set a 5 nanogram limit, and –

MS. COURIC: Of THC, right?

GOV. HICKENLOOPER: Of THC.

MS. COURIC: Okay.

GOV. HICKENLOOPER: So what happens – and you know, everyone's – this is widely known that THC can linger in your bloodstream for up to 30 days, but it comes down fairly rapidly, down below that 5 nanogram limit. And that's – again, it differs for – it's different for every person, same as alcohol is. One shot of whiskey is going to affect a small person differently than a large person, or a high metabolism differently than a slow metabolism.

Marijuana is similar, but different. But 5 nanograms is we thought a conservative way to say, all right, here's a legal limit, and if people are not willing to submit to a blood test, if they're driving erratically and they are not drunk, then they need to submit to a blood test, just the way we used to do it in the old days without – before we had breathalyzers that's how we did drunk driving.

MS. COURIC: And so has that not presented any civil liberty issues or anything like that, and is it hard to enforce? I mean, is it – how problematic has that been for law enforcement officials to say, hey, you know, you're driving erratically. You need to come in and I'm going to draw blood. I mean, really?

GOV. HICKENLOOPER: Well, they – just so we're clear, no sheriffs, no police officers, state patrol are drawing the blood. So that – we go into a clinic, or a hospital someplace and they draw the blood, and it's a big inconvenience. But someone's driving erratically, we need to know why, right? And we're going to have a zero tolerance for this, I mean zero.

MS. COURIC: So have you seen the incidence of driving while high increase?

GOV. HICKENLOOPER: Well, certainly we're more attuned to it and we're looking for it. So we are seeing what appears to be an increase. It's probably not as significant as what most people would think. But this kind of stuff we'll know I think in 6 months from now or 12 months from now, we'll have a much better idea of what the trends are.

MS. COURIC: Let's talk about sort of whether or not marijuana is addictive, because I read somewhere that it is in one in six teenagers. And sort of what - I'm sure you've immersed yourself, Governor, in all the recent studies about how it's affecting young people, their cognitive development. There are some studies about IQ among young people and how they score on tests if they've had, you know, a lot of exposure to marijuana.

So where do you come down on the risks for young people in general? And how are you by the way keeping it from going into the - getting into the hands of kids under the age of 18, because between the ages of 18 and 21, you've decriminalized it, right? You can still get fined, but you don't serve jail-time?

GOV. HICKENLOOPER: But it's still against the law. You don't get jail-time, but we want it out of the hands of 21-year-olds. And what we say, the best neurologists I've talked to, they think if you're 24 or 25, you probably shouldn't - your brain doesn't - for most people, your brain doesn't really finish maturation until 24, 25, 26. And again, the high THC content is cause for concern. So with the kids, again one problem we have with marijuana is it has been illegal for so long and as a Class I, you know, narcotic that you can't get it to do tests on it.

So unlike certain opiates which are - do have medical applications and are federally recognized with those applications, there is a amazing paucity, just a lack of good studies using marijuana on kids. There are some studies, we have indications, but - and part of what we're going to use with this tax money is we're going to be a state that partners with whoever, universities or the National Institutes of Health, whoever we can convince that this needs to be done to begin doing some more of these studies.

But kids are definitely the – our highest concern. And I think the – you know, everyone we've talked to, literally everyone we've talked to thinks that this is a different risk than – completely different risk than some kid going out and drinking beer.

MS. COURIC: So how do you keep kids from, you know, what I did in the old days, you know, get somebody to buy me beer at 7-Eleven; you know, how do you get under age kids – or prevent them from doing that with somebody who could go into one of the shops or dispensaries and buy it legally?

GOV. HICKENLOOPER: Well, we've been working for the last year really, but focusing on these last few months on a marketing campaign. We're going to spend millions of dollars trying to get to A), parents, and to make sure they understand that this is a different kettle of fish, but also to get to the kids. And you know, especially 12-year-olds, 13-year-olds, 14-year-olds, that's where the lion's share of that kind of transformation, these kids kind of come out of middle school and go into high school, that's where they have historically been trying pot.

And just so we're clear, this has been going on even while pot was illegal. We say, I mean every poll, we say a 20 to 25 percent of the kids said that they, you know, in those age groups were smoking, I mean, were smoking pot sometime in the previous year or two. So those are high numbers, or I think alarmingly high numbers. So you know, we're looking at – we have one program that's going to roll out that is going to challenge kids.

A couple of studies that suggested that you could potentially lose 8 points of IQ permanently by smoking this high THC marijuana when you're – again, as a teenager. So what are we going to say? Is this – do you want to be the lab rat that is – that becomes the test on this? So we're working on a whole campaign about don't be a lab rat.

And we're actually right now looking at building large metal cages with kind of a hamster water bottle inside, and then putting them in front of bus stops or close to where kids intersect, just saying don't be a lab rat and have that be part of a integrated program to really try and get kids

to – you know, as you know, it's hard to get their attention sometimes, but really get their attention and hold it and let them see this is not just kind of a – maybe it's a little bit of a risk. This is a high risk situation for them.

MS. COURIC: Do you think that will be effective? I mean, it seems to me that they're getting a lot of mixed messages. I mean, here, you know, there are dispensaries all over the state. You know, they've got – it's socially and culturally accepted. And yet you're trying to warn them about the health risks of this. It seems to me that that would be pretty hard for any kid to wrap their brain around. I mean it's hard enough when Nancy Reagan is saying, "Just say no."

(Laughter)

MS. COURIC: But Colorado is basically saying just say yes, right?

GOV. HICKENLOOPER: Well, we're not saying it's an easy journey, right? And I think these are some of the reasons why I think almost every elected official I know in Colorado opposed legalization. That being said kids have been getting a permissive vibe for many years. This is not an overnight thing. It's overnight, it's legal, and we think that's going to increase what was already a problem that we really weren't, I think, successfully addressing.

So now we're going to get out there. And you know, it is hard to get kids' attention, but they're smart, right? If you get your kids' attention and we're testing them with focus groups and all kinds of different ways of whether you use social media or which alternative forms of media you subscribe to, how do we get their attention and do we communicate with them with images and ideas that they will – that will stick to them and that they'll talk about.

MS. COURIC: When I arrived here in Aspen, the young man who picked us up at the airport said the applications to the University of Colorado were up 400 percent.

(Laughter)

MS. COURIC: Is that true?

GOV. HICKENLOOPER: I have not heard that. That sounds apocryphal. I'll hold off until I have firm data on that.

(Laughter)

MS. COURIC: Tell us what else you've learned through this whole process. I mean there must be other concerns that you have. Obviously the feds think of marijuana very differently than the state of Colorado. What kind of problems does that pose for you as a governor?

GOV. HICKENLOOPER: Right. When we - when our voters put this into our state constitution, right, they put the federal government in a terribly difficult place, right? And you know, the attorney general's job is to uphold the laws of the land and here you've got a state that through popular vote and it wasn't close, right, this was an overwhelming, you know, I think it was -

MS. COURIC: It was 55 percent?

GOV. HICKENLOOPER: - 56 almost, over 55 percent, let's say, right around 55 percent support legalizing. So they've - now they've got a state that's legalized, that's just created in your constitutional law that goes against, you know, the law of the land and generally across the country roughly half the people think it's not a bad idea to legalize it. So issues about banking, right, it's a big issue.

Right now a bank that wants to accept deposits and provide checking to a grower or a retailer, they risk losing their federal charter. You would show me too many banks that are willing to do that and essentially we're creating a cash business. And if you wanted to try, and you know, list three or four ways to try and make sure that you get, you know, corruption into the legalized marijuana business, one of the top things if you really want to encourage corruption make sure it's an all cash business, right?

(Laughter)

GOV. HICKENLOOPER: And so I'm sympathetic to the federal government, but somehow we have to allow a credit union, right, or an association of these businesses to create their own bank and be able to, you know, utilize the processes so that they can get us out of that whole cash business. And we're working on that. We've passed a law that allows us to make the first step of that kind of a – to create that kind of an entity, but at best case it's going to take 12 or 18 months.

MS. COURIC: And how concerned are you about people from other states? I know people in Colorado – I understand can buy an ounce at a time. People out of state can only buy a quarter of an ounce, is that right?

GOV. HICKENLOOPER: I think that's right.

MS. COURIC: Yeah. How can I know more about this than you?

(Laughter)

GOV. HICKENLOOPER: Because you've got all these notes and you've been reading up. I've got about 60 other things I had to do this morning.

(Laughter)

(Applause)

MS. COURIC: I know you've been thinking about fracking and all sort of things, I know that.

GOV. HICKENLOOPER: Exactly.

MS. COURIC: But so what's – how do you keep someone coming from another state buying, you know, somehow through a network getting a lot of pot from Colorado and then taking that across state lines

and selling it?

GOV. HICKENLOOPER: The same way we've ever done it, right. I mean having ports of entry, right, and they – the cartels would use different ports of entry on a rotating basis over the last decades. And our law enforcement agencies have done everything they can to intercept them, and occasionally they get them and close them down. This is no – in other words, we're going to throw the book at that kind of conduct, that law breaking just as we always did.

And let me say the penalties are severe for that level of trafficking. So I don't think we're going to see that. I think when I talk to my neighboring mayors – governors, they are more concerned about the tourists and people coming back and bringing small amounts, but if you go to Denver International Airport there are still dogs walking through sniffing. We're trying to make sure that we do everything we can to make sure that marijuana is not trafficked.

MS. COURIC: Is there – what other – any other concerns as other states start to look at this? Obviously Washington State is going to open dispensaries I understand later this year.

GOV. HICKENLOOPER: Yeah.

MS. COURIC: So what have you learned from – what would you say to the governor of Washington in terms of how to handle this and things that maybe you wish you had done differently or things that you might have done in addition to what's been out there.

GOV. HICKENLOOPER: Well, certainly – and Governor Inslee has spent a great deal of time as the governor of Washington and things like the edibles, right, and making sure that you limit the dosage per edible, per consumable item, I mean they're going to learn from our mistakes every way they can as we try to figure out some solution to this cash/banking conundrum. They are, you know, not only watching us, but also trying to help us with that. So we're kind of partners, right? Our staffs talk on a regular basis and are trying to figure out, you know, how we navigate this together.

MS. COURIC: Would you say it's been, you know, on balance an overwhelming success? I mean, how would you kind of evaluate the legalization of marijuana in your state?

GOV. HICKENLOOPER: Certainly the word "overwhelming success" is not something I'm going to apply to this just because you talk about branding, that's the wrong - I would say and I say this and the industry gets very upset if I say it could have been a lot worse. We've made mistakes, we've had problems. We tried to learn from them and aggressively address how to rectify the problem such as edibles.

And I think that if you look at setting up a regulatory environment from scratch, I mean, these folks have worked 15 and 60-hour weeks for a year-and-a-half. I think they've done a commendable job. Am I satisfied? No, we've got to do better. And I think in terms regulating, making sure we keep it away from kids, personally - and my staff gets furious when I say this, but I would have liked to have been up on the air 3 months ago, right, with that and we spent a great deal of time doing focus groups, gathering information, how do you connect with kids, what is the best way to get their attention, how do you get this information so that they'll hear it. But I've just got a sense of urgency about this, that is, maybe some of my staff will say excessive.

MS. COURIC: Since it's become legal in the state of Colorado, have you been partaking?

(Laughter)

GOV. HICKENLOOPER: No. No, I think again that sends a wrong message. There have been days when, you know, through all of this turmoil, you know, I think that most - and I think most of the people I know feel the same way, whether it was legal or illegal, you know, one of my staff was teasing me and saying, well, you know, you don't need any help trying to make - we don't need help trying to make ourselves stupid, right?

(Laughter)

GOV. HICKENLOOPER: And so really that's – when you're a kid, when you're young, you feel you want to relax and be able to – you don't mind kind of making yourself a little dumb, right? As you get older that becomes more of a problem.

(Laughter)

MS. COURIC: Having said that though, I'm sure you have visited the dispensaries and talked to the people who have opened up the shops. I mean, I'm assuming.

GOV. HICKENLOOPER: Sure. Of course.

MS. COURIC: And what do they tell you? I mean, what are their concerns or issues because I know – I interviewed one on my show and that was really interesting to me and you talked to us via satellite. But what are they telling you? What would they like to see? What are they concerned about?

GOV. HICKENLOOPER: Again they are – and I've talked to, I don't know, a dozen operators, people that have either retailers or grow or both, and they are genuinely good intentioned, hardworking, honest people. Everyone I've met, I have no concerns about their integrity as people, but they do have, I mean this cash business.

I haven't talked to a single person who doesn't feel that that's an issue that they have a great sense of urgency. They want to have a solution to that as quickly as possible because it's not safe for their employees to have large amounts of cash in the place of business being transferred around.

Most of them are trying to, you know, figure that out. It's one of their highest priorities. They are also very worried about the kids and the potential that something that they've grown or created is going to get into the wrong hands. I think the ones I've talked to take that – I don't bring that up, they bring it up before I even have a chance. They take it very seriously.

MS. COURIC: Well, we are in the state of Colorado and I'm sure a lot of people in the audience have questions. So I thought we could open up the floor to questions. We have microphone, why don't you guys just –

SPEAKER: Hi, I guess my question (off mic) on, if you had to choose –

MS. COURIC: Hold on 2 seconds, I don't think your mic is working.

SPEAKER: Hi. Better? Better?

MS. COURIC: Yes, that worked.

SPEAKER: All right. So Governor, if you had to choose right now from a public safety and health standpoint to make it legal alcohol or marijuana, which would you chose and why?

(Laughter)

SPEAKER: Question I posed to him yesterday too.

GOV. HICKENLOOPER: I know. So – and I think that's, to be rude which I try to avoid, that's a foolish choice, right? You don't want to make that choice one or the other. I do think it's – I think it's a fair complaint because the people in the marijuana industry come up to me all the time and say you are vilifying marijuana and alcohol, if you look at the people dying from liver disease and drunk driving and all the fatalities we have connected with alcohol, you know, it's a completely unfair choice.

I get that, right? I don't argue that and I'm happy to – that's why I always say we regulate it every bit as strictly as we do alcohol. But just because we have that as part of our accepted lifestyle, it still makes it difficult to add another narcotic out there that's going to, you know, increase the probability that somebody is going to – or might increase the probability that somebody is going to get into trouble or suffer a dreadful

accident.

And that's where we're going to need a couple of years to really look through and see there's - there's a strong argument that if marijuana is legal, over a period of time more people will use to responsibly and will avoid drunk driving and avoid some of the very negative outcomes we get from alcohol. I mean, I think that's a fair argument. I don't -

GOV. HICKENLOOPER: We've got someone over here.

MS. COURIC: Yes. Yeah. Someone here.

GOV. HICKENLOOPER: This is a target-rich environment right here.

(Laughter)

SPEAKER: Thanks very much, Governor. A quick question; I guess it's a two-part, but I'll give it in one part. You mentioned the windfall that you're getting from -

GOV. HICKENLOOPER: No, no, she said it was a windfall.

SPEAKER: I'm sorry. Sorry, the revenue, let me rephrase it, the revenue that you're getting, one question is, are you going to direct all that funding to addiction treatment or public awareness campaigns or does it go into general revenue?

And to that end, on the addiction piece, have you seen some sort of an upsurge in addiction treatment or people seeking addiction treatment or are there any plans to expand addiction treatment access in your state?

GOV. HICKENLOOPER: So we have seen in certain nonprofits that address, not necessarily addictions, but abuse of marijuana, we have seen an increase in several of those and it's very concerning. We're going to probably - before we can trace an increase in addiction,

addiction generally takes a longer time to occur, so we would expect to see that.

My goal, and I've said this, you know, we have – like most states it's a balancing act between our state legislature and the governor's office. But what I have said repeatedly is I'm going to lobby as hard as I can that all the tax revenue that comes in for this should go to make sure that the public health and safety of our population is no worse off than it was before this was legalized.

And if that means we take all \$80 million this year, or \$60 million, whatever it is, and if we take next year \$150 million, so be it. But I expect that we will have – we will put resources into trying to intervene with kids who have gotten on to an addictive path through marijuana. And oftentimes I'll start with marijuana, this is, you know, is a common thread both with alcohol and marijuana, but they'll start with one and then they will end up with, you know, prescription pharmaceuticals is one avenue and then end up with a heroin addiction.

We think that whole spectrum we need to have a much better system of addressing it if we're going to have legalized marijuana just to make sure, and we're going to measure the living daylight out of this, that our public health and safety is that – we are as healthy and safe as we were before the legalization as we are now.

MS. COURIC: But do you think marijuana is a gateway drug? I mean, that's been debated and many people say that's completely false.

GOV. HICKENLOOPER: Sure.

MS. COURIC: I mean, what is the latest evidence on that?

GOV. HICKENLOOPER: Conflicting, and again it depends on which expert you talk to. One issue is again marijuana, there aren't controlled tests, right, it's a narcotic that they are – the tests, there are a number of studies out there that suggest in both directions.

My – I think it's again why fight over that, right? Whether it is a

gateway drug or not, we have a tax revenue now that's going to allow us to begin looking in a much more comprehensive and integrated way at intervening in these kinds of addictions whether a kid got there through marijuana or alcohol or just started out with heroin, I think it's a fair assumption to say this is a good use for that money.

MS. COURIC: Having said that, I read that some of this tax revenue has been specifically earmarked for building new schools.

GOV. HICKENLOOPER: Sure. So the first \$40 million we can't touch, and that was – the people that put forth the constitutional amendment that was part of their political strategy to make it more, you know –

MS. COURIC: palatable?

GOV. HICKENLOOPER: – more attractive. So – and again that's in our constitution, so we will certainly do that.

MS. COURIC: Okay. There is a question from –

MS. MARQUES: Good afternoon everyone. My name is Amber Marques (phonetic). And – so I have the belief that some percentage of the money that is being collected from marijuana is going to be given to schools throughout Colorado. If this is true, how is that going to be implemented in our school and how are students going to be benefited by it?

GOV. HICKENLOOPER: So that – what Katie just described, the first \$40 million that comes in through taxes and fees, is going to be dedicated towards construction of physical assets like buildings. And we have a pretty comprehensive process by which we decide which school districts and what part of the states there's a prioritization there that will direct where that money goes.

You know, ultimately, and again if we're looking at – if we do become – if the results demonstrate in the next couple of years that we do have a dramatic increase in kids becoming addicted to marijuana or

falling off the tracks, right, then we will make sure that some of those interventions are going to take place in schools. And we're not going to force that on any school, but my guess is that most schools will welcome additional resources to be able to help those kids that are, you know, slipping through the cracks.

MS. COURIC: Someone over here.

SPEAKER: Thanks Governor. Just wondering, with the tax revenue that is coming in from sales, is it just a consumption tax side, or is there also tax revenue coming in from the sellers of these products that is also being earmarked into that same pool of funds?

GOV. HICKENLOOPER: It's a thorough integrated tax system. So it's taxed at the wholesale level, at the retail level, and I think that there's also social revenue just from people the license - you know, purchasing a license to sell, that will generate several millions of dollars a year. So there are a number of different places that revenue comes from.

SPEAKER: But it's all (off mic) to the same place?

GOV. HICKENLOOPER: Most of it. And again a lot of the - like the license revenues going into the regulatory framework to make sure those licenses are - that we do thorough background checks, I mean it is - and it's kind of an again interesting thing, Colorado - the reason we have legalization here in Colorado is because we've had this incredible, over the last decade, influx of young people. And when I was a kid, everybody wanted to go live in California. For the last 6 or 8 or 10 years, Colorado has been affordable and has all these young people moving in. That's how - that's the only way I can explain why we got it passed -

(Laughter)

GOV. HICKENLOOPER: - so much ahead of anyone. But I think that that does, you know, set up certain challenges, but also certain opportunities. And I think we're going to make - try to make sure that the revenues maintain that quality of life that attracted young people here in

the first place.

MS. COURIC: The taxes on it is – they're really high, aren't they?

GOV. HICKENLOOPER: They're very high taxes, and I think –

MS. COURIC: What are – what is the tax on an ounce? You mean it's like –

GOV. HICKENLOOPER: Well, it depends – they are pegged to what their seller is, so they're all percentage taxes, but you get up to towards a 50 percent tax, right? When you put all the taxes in together, it's rigorous.

MS. COURIC: Are you worried that after, you know, the bloom may be off the rose and people will go back to the black market because they don't want to pay those kinds of taxes?

GOV. HICKENLOOPER: Absolutely. So one issue we have is that we had medical marijuana for several years before we had – a number of years before we had recreational marijuana. We're pretty sure that a lot of people are still using medical marijuana that probably don't have a medical need. It's difficult to police as I think people in a number of states have learned. But still not a good idea.

And if that – we have the ability to lower the taxes if we see there's a black market forming, right? So right now, we're trying to pay as close attention as we can to make sure that we're not over-taxing.

MS. COURIC: Have you seen any evidence of that?

GOV. HICKENLOOPER: No.

MS. COURIC: No?

GOV. HICKENLOOPER: Right now, there is so much demand for illegal marijuana, and the black market – you think about what a black

market – you've got to pay someone to grow it in another country, right, or in Northern California.

(Laughter)

GOV. HICKENLOOPER: Just kidding, Jerry Brown. Just kidding, Governor Brown. I can't take all the slings and arrows for Colorado.

(Laughter)

GOV. HICKENLOOPER: But someone – you've got to pay someone else to grow it, then they've got to ship it. It's not just shipping in, you've got to smuggle it in, which is dramatically more expensive. And then you've got to set up a whole underground network which again is not normal retail.

So even though we have these – this taxation is approaching – in certain communities approaching 50 percent, we don't see a dramatic difference. We expect – our goal is to be a little bit more expensive than the black market, but roughly the same. And if that's the case, we think people will choose to do it legally, and eventually that black market will dry up.

MS. COURIC: Here's a question there. Hi.

SPEAKER: The question is in terms of licensing, how did you go about choosing how many growing licenses to issue, how many dispensing licenses to issue? And the second part is, very specifically, who specifically makes the determination who gets those licenses? Is it you or who determines who gets the licenses?

GOV. HICKENLOOPER: I do. My friends. No, I'm just kidding. That's another joke. It's the last joke.

(Laughter)

SPEAKER: No, I just – it's a serious question. Who makes the

determination who gets the licenses, and how many licenses for growers and dispensers?

GOV. HICKENLOOPER: We made a difficult decision, but the decision was that trying to have a limited number of licenses was an invitation for problems and was – probably would slow down our ability to address the black market. So we don't have a ceiling, right? And each local – for retail, each local community makes their own decisions about where can a retail, how close to a school, how close to a residential neighborhood –

MS. COURIC: Or if to sell it at all, like Colorado Springs.

GOV. HICKENLOOPER: Or to sell at all. We have whole municipalities and counties that are just saying we don't want this in our community. So that is all within our constitutional framework. That is their right. And what we try to do is set up – again, I was in the brewpub business, right, and so we – Colorado, again having all these young people move here, we now have over 240 federally-licensed breweries in the state of Colorado.

You can't go to a small town in Colorado without a small little brewpub or a microbrewery somewhere, and the licensing process for them is remarkable. You have to – every square foot of your facility and every piece of equipment have to be exactly in place. Every gallon that you produce, if you spill something or if it's spoilt, you have to make a formal exemption to the Bureau of Alcohol, Tobacco, Firearms. I mean it's just a very, very, very rigorous process.

Well, we don't have – the BATF obviously isn't going to do anything to help us, so we have to take on that role. And I think that's – again, we're letting local communities give thumbs up or thumbs down, but we're letting anybody who wants to do it go ahead and start their business, but we are going to inspect them. We're going to have the resources to make sure that we do, I mean, exhaustive background studies.

SPEAKER: Who determines who gets the licenses?

GOV. HICKENLOOPER: Department of Revenue has the final choice. And it's - but it's a transparent public process. You fill these - if you've got a felony in your record, you don't get a license, right? If you - if - I can't get - there's a whole list of things that they are worried about that might make you subject to criminal behavior. That's what they're trying to do is make sure that we have a system where everyone obeys the law.

MS. COURIC: Here's a question. A young man there.

SPEAKER: Hi, I'm from Los Angeles where the medicinal marijuana use is allowed under state law. I was just curious, you were talking about the ingestion of marijuana and smoking it, and both have been proven to have negative effects. Does that justify the usage under state law? Does that make it okay to use it, or -

GOV. HICKENLOOPER: Well, our voters put it in state constitution, right, that it's legal. So even though - I mean, if you - I mean, there are all kinds of things that we can ingest that are harmful to us, right? Cigarettes are still legal in the state, right? There's no question anymore in anybody's mind. You go out and smoke two packs a day for the next 20 years, it doesn't mean you're definitely going to get lung cancer, but your probability of having that occur go up exponentially. I think this is the same thing.

I think the decision was made by our voters that - I mean, let's face it, the war on drugs was a disaster, right? I mean, it may have been well-intentioned and certainly it may have helped depress some of the activity around marijuana and other drugs, but it sent millions of kids to prison, gave them felonies oftentimes where they had no violent crime, made their lives much more difficult to get jobs and come out. And I - again, I was against this. But I can understand why so many people supported it. And I think that, you know, long term, we're going to have to see.

We're - I think, our office looks at it as we have a responsibility and obligation to do everything we can to try and make this work. Our voters support it. I think it's going to be - you know, I've said this before, I

think it's going to be one of the great social experiments of this century, right, to see whether this can be done. We might in 10 years look back and say we are worse off now than we were then and we're going to take this out of the constitution.

MS. COURIC: How many states do you think will follow suit when all is said and done? I know it's being debated in New York State and there are all kinds of, you know, initiatives in various states. I mean what's your sense?

GOV. HICKENLOOPER: I think talking to other governors that it will be fairly slow, you know, to start out with. And I think that that process of - I think we'll see more medical marijuana first and then a cautious, you know, assessment of what's going on in Colorado and Washington.

MS. COURIC: I wanted to get your reaction because I was interested to read in The New York Times a piece that said for many conditions approved for medical marijuana there are no high-quality trials indicating that marijuana is useful. Obviously anecdotally we've heard so many people talk about how it's helped with symptoms of cancer and other diseases or illnesses, but what do you think about the lack of real evidence? I was surprised to read that.

GOV. HICKENLOOPER: Well, surprised until you realize that if you want to do tests you can't get marijuana to run your trials. So once you realize that it is almost impossible to do serious medical trials around marijuana, then you begin to understand. Of course, you know, for me with the medical marijuana back in 2006 we had a city councilwoman who - former city councilwoman in Denver who was the most conservative, you know, upstanding anti-drug pro law-and-order I ever knew. And she had a severe back condition and she had tried everything and she could not find relief except through marijuana. And trust me that she was the absolute last person that I would ever expect to ever even hint that there could be a positive benefit to marijuana and she was plaintiff. I mean she was just sincere in saying this is the only thing that can really reduce my suffering.

MS. COURIC: So do you think you'll do some of those high-quality trials -

GOV. HICKENLOOPER: Yeah.

MS. COURIC: - in the state of Colorado that will now kind of determine the efficacy of marijuana in a variety of medical conditions?

GOV. HICKENLOOPER: Absolutely.

MS. COURIC: There are some questions there.

MS. CAPONE: Hi, my name is Helena Capone (phonetic) and I go to school in Denver. And I completely understand what you're saying when you see the kids are kind of like sinking through the cracks when they do use marijuana when before it's legal for them to. But I was going to ask you what you think about, like, the talk - like, I know from experience that like the top 10 percentile of several different high schools that I know including valedictorians have used marijuana frequently.

And I wanted to know like how do you incentivize them to stop once they're on, like, their academic and their athletic and their leadership game, like how do you communicate to those kids not to use marijuana?

GOV. HICKENLOOPER: Well, and again what their -

MS. COURIC: I guess the question is should you, right?

(Laughter)

GOV. HICKENLOOPER: Yeah, right.

MS. COURIC: I don't know.

GOV. HICKENLOOPER: No.

MS. COURIC: I don't know. I don't know. I mean, no, I don't know if they're doing so well.

(Laughter)

GOV. HICKENLOOPER: Better she says that than I.

MS. COURIC: No, I don't know. It just, you know -

GOV. HICKENLOOPER: I think that the - you know, they are all different - kids go through different phases, right? And you know, they're going to - kids in the end are always going to make their own decisions, right? And my son is about to turn 12 and I am slowly beginning to understand that telling him what's good for him is not always the direct path. And I think, you know, obviously not every kid who smokes marijuana becomes addicted, right?

Not every kid is going to suddenly spin out of control and drop out of school, but I think there is enough medical indication that there is risk, that we should communicate that risk, right? And it's - again we accept all kinds of risks, right? You go out in the sun, right, and sometimes you forget to have your sunscreen and how big is that risk, you know, from very small risks like sunscreen, up to bigger risks like cancer and smoking cigarettes, kids are going to have to assess it themselves. I think our job is to get out there and say a), it's against the law, and then b), here to the best of our information are the real risks, not the kind of smoke and mirrors, but real facts of genuine scientists who have, you know, relevant scientific information. And then they make their own choices.

MS. COURIC: Can I read you a David Brooks quote? He wrote a column about this. I just interviewed him, and he wrote in January about the legalization of marijuana in Colorado and Washington basically saying that both states are producing more users as a result of legalizing marijuana.

And he says, "Laws profoundly mould culture. So what sort of community do we want our laws to nurture? What sort of individuals and behaviors do our governments want to encourage? I'd say that in healthy societies government wants to suddenly tip the scale to favor temperate, prudent, self-governing citizenship. In those societies, government subtly

encourages the highest pleasures like enjoying the arts or being in nature, and discourages lesser pleasures like being stoned. In legalizing weed, citizens of Colorado are indeed enhancing individual freedom, but they are also nurturing a moral ecology in which it is a bit harder to be the sort of person most of us want to be."

GOV. HICKENLOOPER: Well, that's David Brooks. I mean, he is – he says it more eloquently than I ever could. And I don't disagree with that and that's part of why we are going to make such a prodigious effort to market what the risks are and to make sure that kids don't perceive, you know, our state as encouraging this, right? I'm not – we shouldn't necessarily lock people up for selling marijuana as we have for so many years or lock people up even for using marijuana, but we don't have to encourage it.

And I think that's making sure – the one part, and this is the interesting part, if we use the revenues responsibly and we make sure that we don't create, you know, kind of hidden – you know, in some way nurture people's inclination to try something like marijuana, if we can really push back against that that's the appropriate use of the revenues. And I think at that point we do get to more of a neutral-level playing field. I think we can avoid what David Brooks is worrying about and at the same time avoid sending so many people to jail.

MS. COURIC: I think we have time for a couple more questions from the audience. There's one here.

SPEAKER: Thank you for being here. Is it true that people have really gone to jail in the last 10 years just for possession in marijuana in Colorado? It seems like that hasn't been the case. And along those same lines might – and I know that you are against it to begin with, but might decriminalization be a wiser first step than going straight to legalization?

GOV. HICKENLOOPER: Certainly I thought – I think decriminalization would have been a wiser first step. You still have the undercover – the underground black market. You still have a huge number of people, you know, subsidizing and making economically buyable that underground market and all the risks that go along with that.

So I mean, there's a balancing act of lesser evils. Our goal – and I think we'll see whether this is true, our goal is to – we don't think we – our goal would be not to have a dramatic increase in users especially among kids.

It's interesting, when I see groups of old friends, people I've known for a long time, and I'll ask them, I'll say, all right, so how many of you have smoked marijuana once or twice in the last 12 months? I say once or twice so they'll feel a little more comfortable answering. And generally 25 percent of the hands will go up. And then I ask so of you that have smoked marijuana or ingested marijuana in the last year, how many of you have only done it since it's been legal? And no hands go up.

So I think it's a legitimate question is the people that were already smoking marijuana, are they now just smoking marijuana, but paying a tax on it, in which case, if that ends up being the system we're probably better off. The real – what you're I think questioning and it's legitimate, is are we going to have this spike of usage which is what David Brooks is worried about as well, what we're all worried about.

MS. COURIC: The person right there.

SPEAKER: Thank you for being here. In your opening statements, you mentioned that we're one of the only places who has attempted to decriminalize or legalize marijuana and I think that we would be naive not to recognize that. Uruguay as a country has been regulating –

GOV. HICKENLOOPER: Sure.

SPEAKER: – and legalizing marijuana since December of last year, and I was wondering if there was anything from their processes of regulation that you would model in our state?

GOV. HICKENLOOPER: Well, we are almost in tandem. And I think that – and I have to get one of my – we have a person from the Department of Revenue who is trying to look at what they're doing and

saying is that a better choice, is that a lesser choice, and I'm not up to where that is in the last few months. But I know we are definitely in conversation and trying to – you know, any time you're doing something like this that hasn't been done before, you're trying to find every other source of information to make better-informed decisions.

MS. COURIC: What about vape pens and all that? I mean, I know the licenses for – I know I sound like a druggie, don't I?

(Laughter)

GOV. HICKENLOOPER: You seem to know a little bit too much about that.

MS. COURIC: I've been a doing of lot of research and not Maureen Dowd-style.

(Laughter)

MS. COURIC: But I understand that the request for licenses for vape shops or whatever have gone through the roof as well. So can you explain that and tell us about sort of what's happening in that arena?

GOV. HICKENLOOPER: Well, we have – again vape shops, that's this – I'm not sure I understand what the attraction is, right? I mean, I sort of understand how they work, but I haven't even seen one and I'm not aware that it's gone through the roof in Colorado.

MS. COURIC: Yeah, I read somewhere that people who are applying for licenses to open up shops has exploded. So I don't know that much about it, I just wondered –

GOV. HICKENLOOPER: Well, the process creates risk and I think that there is – again, these are the kinds of things, who would have ever even thought – I know that there are – we look at it with increasing concern let's put it that way.

MS. COURIC: Okay. All right. Well, certainly – maybe we'll

just do a couple of more -

GOV. HICKENLOOPER: Vape shops, you mentioned vape shops, and all of a sudden all the hands go up.

MS. COURIC: Do you want - yeah, anybody.

SPEAKER: This is not about vape shops. I serve on the board of Children's Colorado Hospital (phonetic), and we do not dispense any medical marijuana to any patients unless the parents have a prescription and then the parents have to administer.

GOV. HICKENLOOPER: Of course.

SPEAKER: I also want you to know that the governor signed at the hospital a couple of weeks ago a packaging bill for edibles, as far as their identification for children. But we have not through all our research discovered that through a lot of epileptic seizure patients we've encountered that there has been any medical research to prove that marijuana and the THC content will help them. So we have decided that we are not in a position to begin to administer this on a medical basis. So I just wanted to lend that to the conversation.

GOV. HICKENLOOPER: Sure.

MS. COURIC: Okay. There may be time for two more and then I guess we should -

MR. GEESE: Hi, I'm Ryan Geese (phonetic). And - so you mentioned being schizophrenic or having bipolarism and from personal experience I've seen people who have had very, very different reactions for marijuana use.

GOV. HICKENLOOPER: Yeah.

MR. GEESE: And I was wondering that now that the state is in a very good position to talk to people about this, is there any steps being taken to show awareness towards people having adverse reactions and

so they know if they will have a bad reaction to the marijuana?

MS. COURIC: So educating people for potentially bad -

GOV. HICKENLOOPER: Sure. And that's a great question. You know, unfortunately there's no direct predictive ability that anybody has yet. So even if you have a predisposition towards severe bipolar or schizophrenia any of these psychological conditions, it doesn't necessarily mean that marijuana is going to affect you in that way and cause an onset of symptoms. But it increases the probability. And that will certainly be a part of this campaign that we're about to rollout to really educate, not just kids, but their parents as well to educate the community about some of these risks.

MS. COURIC: We have one more question maybe in the brown sweater. Hi.

MS. MURCHINSON: Hi, Elisa Murchinson (phonetic). I teach for DPS School District. And I'm just wondering the money was allocated for like construction and building. What about the resources that we need like computers and books to help classroom instruction, why wasn't any of that money allocated for that?

GOV. HICKENLOOPER: Well, that's not the - because the people that put together the constitutional amendment that we voted on, wrote it as, you know, capital construction. There might be - again I'm not a lawyer, there might be a way to look at capital construction as building computers, but I don't - I think that would be a stretch. I'm just - that was a joke, I'm just - I'm not trying to bend the will of our voters.

MS. COURIC: But that is a good question because - right?

GOV. HICKENLOOPER: No, look at all the needs, right? Why aren't we able to use this money for early childhood education where we know that there are a very high return on every dollar invested. Well, I think first we need to - we want to make sure that we're not - again, we're not creating a situation among our - the public in terms of health and safety that's worse than it was before the past.

MS. COURIC: Well, having said that, you probably have some flexibility in terms of how some of this revenue is going to be used ultimately as this continues to unfold, right?

GOV. HICKENLOOPER: Yeah, the additional - yeah, on the \$40 million absolutely.

MS. COURIC: So. All right, well, Governor Hickenlooper, thank you so much. Really appreciate it.

(Applause)

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