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Ottawa ON K1A 0K9

2022-04-21

22-104002-10

Dear Brittany Graham, Eris Nyx, and Jeremy Kalicum,

This letter is being sent in response to your request for a subsection 56(1) exemption under the *Controlled Drugs and Substances Act* (CDSA) to operate a Safe Supply Fulfillment Centre and Cocaine, Heroin, and Methamphetamine Compassion Clubs in Vancouver, British Columbia.

Under subsection 56(1) of the CDSA, the Minister of Health may grant an exemption from provisions of the Act or its regulations, if in the opinion of the Minister, it is necessary for a medical or scientific purpose, or it is otherwise in the public interest. I have considered all of the material and information provided. In forming my opinion as to whether to grant the requested exemption, I have also considered the purposes of the CDSA, which are: the protection of public health and the maintenance of public safety. I understand that your organizations are taking action to reduce the harms associated with the ongoing overdose crisis. This goal is shared by Health Canada and aligns with the purposes of the CDSA. In assessing exemption requests, it is my duty to consider whether the exemption request before me would achieve this goal without posing unacceptable risks to the health and safety of Canadians.

In considering your request of August 31, 2021, I understand that you are proposing two alternative models of fulfillment centre and compassion clubs. One model involves purchasing licit pharmaceutical-grade substances from a supplier licensed under the CDSA, which would then be sold, at cost, to compassion club members. The second model involves purchasing illegally produced controlled substances from illegal vendors on darkweb markets, testing the substances for the presence of contaminants, and then labelling and selling, at cost, to compassion club members. With respect to the first model, you have not provided information or details on how this model would work, including information on the identification of a licensed dealer from whom you would purchase the substances. The vast majority of the information presented in the request outlines the details of the second model. Based on your submission, I understand that you are requesting an exemption from the sections of the CDSA prohibiting possession, possession for the purposes of trafficking, and trafficking for all those engaged in operating the fulfillment centre and compassion clubs as well as for the members of the compassion clubs.

In your submission, you provide details on how the second model would work, including that drugs would be purchased over the dark web. The anonymity provided by the dark web facilitates criminal marketplaces. For the drugs in question, there is substantial and growing

involvement of Canadian organized crime groups in these illegal online markets. Independent criminal entrepreneurs also continue to be involved in online procurement, import, and trafficking of controlled substances from international organized crime groups. All of these activities and groups pose a substantial risk to the public safety of Canadians. It is also important to note that supporting the second model, proposing to obtain illegally produced controlled substances from illegal suppliers, would breach Canada's obligations under the [International Drug Control Conventions](#). The second model would also financially support the criminal organizations that produce and sell illegal substances and undermine efforts to suppress the illegal drug trade, contributing to organized crime activities such as money laundering, which raises serious public safety risks. Although you indicate that this pathway is preferable for your prospective members over other avenues of illegal supply, the second model is not an option that can be approved by Health Canada given the public health and public safety risks.

After careful consideration, I intend to refuse your current request for a subsection 56(1) exemption, which would allow the purchase of illegally produced controlled substances from illegal vendors on darkweb markets. Supplying drugs from the dark web is not a viable option for advancing the objectives of the CDSA, namely the protection of public health and the maintenance of public safety.

You may submit written representation in response to this intent to refuse your subsection 56(1) exemption request, with respect to the second model. Written representation should be provided to the Office of Controlled Substances by e-mail to exemption@hc-sc.gc.ca within fourteen (14) calendar days of the date of this letter. A final determination on your subsection 56(1) exemption request will not be made until the written representation is received and considered. Should no written representation be received by this Office within 14 days, your request to purchase controlled substances over the darkweb for a Safe Supply Fulfillment Centre and Cocaine, Heroin, and Methamphetamine Compassion Clubs in Vancouver, will be refused.

With that being said, Health Canada is committed to supporting efforts to expand access to a safer supply, including exploring alternative models that will remove existing barriers to access. As noted above, your request does not include information on which to assess a model to purchase legal pharmaceutical-grade substances from a licensed dealer and distribute through compassion clubs. Among other things, such a request would need to include information pertaining to the identification of a licensed dealer willing to sell controlled substances for this purpose and a plan for controls to be in place to protect public health and safety (e.g. secure storage, secure distribution of substances, reporting requirements, etc.). Officials from Health Canada would be pleased to organize another meeting with you if you have questions on the information that would be helpful to include in such a proposal, should you wish to submit a new request focusing on this model.

Finally, I want to convey my appreciation for the work of your organizations, not the least of which includes the active participation and leadership of people with lived and living experience in service provision and policy and program development. I appreciate your willingness to think and act creatively in search of new solutions and welcome further discussion on any additional ideas you may have.

Should you have any further questions, please do not hesitate to contact the Office of Controlled Substances at exemption@hc-sc.gc.ca.

Sincerely,

Jennifer Saxe
Director General
Controlled Substances Directorate
Health Canada