

# Cannabis Rescheduling Isn't a Victory Lap — It's a Stress Test for Operators

*Why the latest signals from Washington should change how you're running your business today*

A few months ago, we wrote about cannabis rescheduling as a **process, not an event** — and warned operators not to confuse political headlines with operational reality.

That framing matters even more today.

Recent reporting highlights a new and underappreciated risk: **open resistance from Republican lawmakers to cannabis rescheduling — including lawmakers who otherwise support limited reform**. This is not quiet skepticism. It is public, on-the-record pushback that materially increases uncertainty around timing, scope, and durability of change.

This is not just a political story. It's a **risk story** and an **execution story**.

And for cannabis operators, it should be a wake-up call.

## The New Signal: Bipartisan Noise, Fragmented Control

What's changed is not that cannabis reform is controversial — it always has been. What's changed is **where the resistance is coming from and how explicitly it's being voiced**.

Several Republican lawmakers, including **Dave Joyce** and **James Comer**, have publicly questioned or opposed the Biden administration's rescheduling push — despite Joyce being one of the GOP members most closely associated with cannabis reform efforts historically.

Key points raised by Republican critics include:

- Concerns that rescheduling could **expand access without sufficient FDA-style oversight**
- Warnings that Schedule III status could **benefit large, consolidated operators at the expense of public health**
- Assertions that the administration is **moving too quickly without Congressional authorization**
- Explicit framing of rescheduling as an **executive overreach**, not a settled regulatory outcome

In practical terms, this tells operators three things:

- Cannabis policy is no longer moving in a clean, linear direction
- Executive signaling does not guarantee regulatory durability
- The risk of delay, litigation, or partial implementation is rising, not falling

Momentum exists. Control does not.

That reinforces the core point from our prior article: **no Executive Order can reschedule cannabis on its own**. Only formal DEA rulemaking — with a Final Rule and effective date — actually changes the law.

Until that moment, **nothing operational changes**, regardless of how bullish the headlines sound.

## Why This Pushback Matters More Than It Appears

Some operators have dismissed Republican resistance as political theater. That's a mistake.

Here's why it matters operationally:

- Public opposition increases the probability of **extended DEA timelines**
- It raises the risk of **post-rule legal challenges**
- It makes **state-level divergence more likely**, especially in conservative states
- It weakens assumptions around **clean federal-to-state conformity**

In short: **even if rescheduling happens, it is increasingly unlikely to be simple or fast.**

Which means planning for a single “flip-the-switch” outcome is the wrong strategy.

## 280E Relief Is Still the Prize — But Execution Decides Who Wins

As we outlined previously, Schedule III would likely eliminate 280E at the federal level **after the effective date**.

That remains true.

But the political pushback sharpens a reality many operators don't want to hear:

The benefit is real — but only for operators who can defend it.

Removal of 280E exposes:

- Expense classification discipline
- Inventory accuracy
- Cost allocation logic
- Internal controls

Operators who assume tax relief will automatically “show up” will be disappointed. Operators who prepare for scrutiny will outperform.

## Banking, Capital, and Credibility

Republican resistance also affects banking indirectly.

Financial institutions don't just watch laws — they watch **political stability**.

Public Congressional disagreement increases perceived regulatory risk, which means:

- Credit committees remain cautious

- Pricing improvements happen slowly
- Only the cleanest operators see meaningful upside early

Rescheduling improves the *direction* of travel. It does not remove underwriting discipline.

## **The Hard Truth: This Is a Sorting Event, Not a Bailout**

The emerging political reality makes one thing very clear:

**Rescheduling will not rescue poorly run businesses.**

It will amplify the gap between operators who have treated finance, compliance, and systems as strategic infrastructure — and those who have treated them as back-office noise.

The louder the political disagreement becomes, the more valuable **operational readiness** gets.

## **What We're Advising Clients to Do Now (Unchanged — and More Urgent)**

- Model cash flow *with and without* 280E
- Clean up charts of accounts and expense logic
- Tighten inventory and COGS documentation
- Prepare lender- and investor-ready financial packages
- Map state-by-state conformity risk
- Build systems that cleanly separate pre- and post-effective-date activity

Waiting for certainty is still the most expensive option — and it's getting more expensive.

## **Final Thought**

Cannabis rescheduling remains the most consequential federal shift the industry has seen in decades.

But recent Republican pushback makes one thing unmistakably clear:

**Washington may move — but it will do so unevenly, slowly, and under scrutiny.**

The operators who treat this moment as a serious financial and operational transition — not a political victory — will be the ones still standing when clarity finally arrives.

If you want to pressure-test your readiness across multiple scenarios, that's exactly the work we're doing with clients right now.

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