

# Breaking News: DEA Proposes Landmark Cannabis Reclassification

The U.S. Drug Enforcement Administration (DEA) is poised to make a significant change in drug policy by moving to reclassify marijuana as a less dangerous substance, according to a report by the Associated Press on Tuesday early afternoon. This move is anticipated to have wide-ranging effects on drug regulations in the United States.

## Recognizing Medical Uses and Lower Abuse Potential

The DEA's proposal, pending review by the White House Office of Management and Budget, acknowledges the medical uses of cannabis and recognizes that it has a lower potential for abuse compared to some of the nation's most dangerous drugs. However, it falls short of legalizing marijuana outright for recreational use.

## Clearing Regulatory Hurdles

The agency's decision, confirmed by five anonymous sources familiar with the matter, marks the final significant regulatory hurdle before the DEA's proposed policy change, the most significant in over 50 years, can take effect.

## Next Steps

Once approved by the White House Office of Management and Budget, the DEA is expected to initiate a public comment period on the plan to reclassify marijuana from its current classification as a Schedule I drug, alongside substances like heroin and LSD. Reclassification would move cannabis to Schedule III, aligning with a recommendation from the Department of Health and Human Services.

## Market Response

News of the DEA's impending decision has led to a surge in cannabis stocks, with the AdviserShares Pure U.S. Cannabis ETF (MSOS) experiencing a notable increase of 22.8%.

The DEA's move to reclassify marijuana represents a significant shift in drug policy, acknowledging the evolving understanding of cannabis's medical uses and its relative safety compared to other controlled substances. While this decision does not legalize marijuana for recreational use, it marks a milestone in the ongoing debate surrounding cannabis regulation in the United States.

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