



September 9, 2016

RE: House Resolution 835

The Honorable Adam Kinzinger
1221 Longworth House Office Building
United States House of Representatives
Washington, DC 20515

The Honorable Tony Cárdenas
1510 Longworth House Office Building
United States House of Representatives
Washington, DC 20515

Dear Representative Kinzinger and Representative Cárdenas:

Coin Center is a non-profit research and advocacy center focused on the public policy issues facing open and decentralized blockchain technologies. Specifically, our focus encompasses cryptocurrencies (e.g. Bitcoin), decentralized computing platforms (e.g. Ethereum) and inter-ledger systems and protocols (e.g. sidechains). Our mission is to build a better understanding of these technologies and to promote a regulatory climate that preserves the freedom to innovate using them. We do this by producing and publishing policy research from respected academics and experts, educating policymakers and the media about decentralized blockchain technology, and by engaging in advocacy for sound public policy. We write to you today in support of House Resolution 835.

We applaud your forward-thinking leadership in encouraging the development of open digital currency networks and other financial technologies, and we strongly support House Resolution 835. The formal articulation of a pro-innovation policy is an essential first step in guaranteeing America's long term competitiveness and continued innovation in the financial services sector, as well as the technology sector broadly.

That competitiveness is under threat. In recent years, various nations, and the United Kingdom in particular, have taken significant steps to provide a more welcoming home for technologists and fintech firms. Many in the press have identified this growing gap and have warned of a coming exodus of innovative companies. This is a particularly

dire state of affairs for American fintech competitiveness given two troublesome structural features of US financial regulation not present in the UK and other nations: our federalist patchwork of incongruous and overlapping state money transmission regulation, and the rules-based rather than principles-based approach pursued by most regulators in this space. These two structural issues are not a product of mistakes or miscalibration by any particular legislature, agency, or governmental body specifically; they are features of the larger historical landscape of financial regulation in the US. A landscape now overdue for pruning.

In calling for a “a *national* policy to encourage the development” of these technologies, House Resolution 835, is an important step in addressing these issues. It will be a significant marker on the longer road towards a more unified and flexible federal approach to financial regulation, and a bulwark of American competitiveness and consumer protection.

If we can ever help answer any questions about cryptocurrency technology or its implications for public policy and law, or if we can ever help connect you to members of the digital currency ecosystem, please do not hesitate to ask.

Sincerely,

A handwritten signature in black ink, appearing to be the initials 'JB' or a similar stylized monogram.

Jerry Brito
Executive Director

CC:

Rep. Michael C. Burgess
Rep. Jan Schakowsky