

Opening Statement

JEC Hearing on “Demystifying Crypto: Digital Assets and the Role of Government”

Wednesday, November 17 at 2:30pm ET

Throughout the history of this great nation, entrepreneurs and creators have served as the heartbeat of the American economy and the engine of America’s growth. Their advances into unknown frontiers of science and technology have transformed the quality of life for millions of Americans, and for people around the world.

Today, American innovators are advancing into the unknown frontiers of cryptocurrencies, using novel technologies to securely create and trade digitally scarce assets. Like the internet of the 1990s, cryptocurrencies are still in their infancy. This evolving technology has vast—and still untapped—potential to revolutionize established industries and create entirely new ones.

Cryptocurrencies are already democratizing finance by lowering costs and expanding access to an industry that has historically been hard to reach for millions of Americans, including hundreds of thousands of Utahns.

Beyond the better-known applications to finance, blockchain—the technology behind cryptocurrencies—has even broader potential. Blockchain can securely share

health records, efficiently track cross-border transactions in global supply chains, and allow online consumers to verify the authenticity of pictures or videos.

I have great optimism that, like the internet before it, the technology behind cryptocurrencies will create a wealth of new opportunities, many of which we cannot yet imagine.

As new markets like this one emerge and grow, there is always a temptation in Washington to expand the federal government's reach—a temptation to centrally control the innovative process and regulate the products of those individuals who are at the forefront of American advancement.

This temptation must be resisted.

Rigid, one-size-fits-all regulation targeted at the cryptocurrency economy is unnecessary, and it will all but ensure that this next generation of technology companies moves to other countries. Americans could lose access to cryptocurrency markets and miss out on the potential economic and social benefits.

If we want the center of innovation to remain here in the United States, for the benefit of American workers and American families, Congress should focus on creating clarity around how existing rules apply to these new technologies. In the case that existing law proves outdated, we can assess the need for new rules. However,

as it stands today, we just need to appropriately apply the rules we already have on the books.

The proper role of government is to empower innovation through clear rules with a light touch. The best approach is one where Congress acts in a manner that is tailored to its limited constitutional authority. It is one where the federal government acts with restraint, and in so doing, protects the creation and ingenuity that powers our great country.

In today's hearing, I hope that we can focus on policies that protect a flexible regulatory framework for the Americans who are building our future.

If we can resist centralizing power in Washington, and preserve the space for American innovation to flourish, entrepreneurs across the country stand ready to unleash the tremendous opportunity of new digital economies.

Thank you.