

CONGRESSIONAL CALL TO ACTION: THE CASE FOR A BLOCKCHAIN AND DIGITAL ASSET SOLARIUM COMMISSION

CONGRESS MUST ACT:

Our allies' and adversaries' alarming advances in the blockchain and digital assets industry individually and collectively threaten U.S. leadership and dominance across next-generation finance, trade, business, communications, value transfer infrastructure and other verticals while the U.S. is sitting on the sidelines, effectively pushing the industry overseas. As legislative proposals are being considered in the U.S. Congress, the Chamber of Digital Commerce is calling on all members of the House of Representatives and Senate to prioritize passing a legal framework for digital assets. To that end, we are requesting that the Congress organize a Digital Asset and Blockchain Technology Solarium Commission to develop a national strategic approach to digital assets and blockchain technology in the United States.

WHY NOW?

Blockchain technology is disrupting nearly every industry from finance, trade and health care to national security and the arts. However, regulatory and legal opacity in the U.S. is hampering the nation's ability to lead and take advantage of this innovation revolution. This abdication is severely hampering domestic development and ceding advantages to other nations at the expense of the U.S. innovator and investor. This is a sampling of recent activity:

- China accounts for 84% of all blockchain patent applications globally and recently announced plans for a blockchain research center to connect universities, developers and businesses to encourage industry growth;
- The UAE has allocated \$2 billion to digital asset research, is headquarters to more than 1000 metaverse companies, plans to support more than 40k related jobs by 2030, and released comprehensive regulations for virtual asset service providers;

- South Korea has set aside \$44.6B to transform its economy via a “Digital New Deal” including more than \$170M dedicated to metaverse development;
- Japan passed stablecoin legislation, is creating a “Metaverse Economic Zone” to develop an internationally competitive web3 business and regulatory environment, and plans to boost crypto adoption by creating a friendly tax regime, trading rules and DAO regulation;
- Germany is introducing an innovative financing Act that will allow publicly traded companies to issue “crypto shares” of stock registered on a blockchain equivalent to traditional shares;
- Australia, India and Nigeria have all adopted national blockchain strategies with the latter developing a legal framework and innovation sandbox, supporting securities tokenization and awarding over 30,000 blockchain scholarships already.
- With the Communist Party’s blessing, Hong Kong’s monetary authority and securities regulators convened a meeting with crypto firms and banks to facilitate relationships and financing; the government issued a policy statement in support of establishing and developing the industry and included \$50M to support web3 development; over 80 firms expressed interest in establishing presence and 23 indicated they planned to.
- Meanwhile, adversarial nations are pursuing activities in this space that endanger U.S. leadership and dollar primacy. China is developing an internationally focused Blockchain- based Services Network (BSN) to incorporate global development and trade and fill the U.S.-created vacuum; China and Saudi Arabia are considering trading oil in yuan; a French natural gas company just committed to settle trade with China in yuan; India is paying for Russian oil using UAE dirhams; Singapore launched a cross-border blockchain platform to trade with and extend China’s Belt and Road Initiative;

Russia and Iran are contemplating a gold-backed crypto to avoid the dollar in bilateral trade; the BRICS nations received applications to join from 19 additional nations and it is planning to develop a currency to bypass the dollar; and Russia is experimenting with allowing firms to mine cryptocurrency for use in settling international trade.

WHY A DIGITAL ASSET AND BLOCKCHAIN SOLARIUM COMMISSION?

In the wake of World War II and dawning of the Cold War, President Eisenhower created Project Solarium to course correct strategy deficient for countering Soviet Expansion and to develop consensus among senior officials on a cogent, holistic approach to ensure U.S. national security and global leadership. The recent Cyberspace Solarium Commission proved how effective such an arrangement can be; it achieved its objectives to create and enact policy solutions that strengthen the United States in a bipartisan, common-sense manner.

Similarly, the U.S. strategy on digital assets and blockchain technology desperately needs consensus in the wake of other nations' advances. A Commission will render collaboration from government, industry, and academia to provide indispensable leadership and guidance for the future of U.S. blockchain and digital asset research and development.

We believe an effort of this magnitude is imperative in today's divided Congress and we call all members of the 118th Congress to support it.