

February 20, 2024

The Honorable Sherrod Brown  
Chairman, Senate Committee on Banking, Housing, and Urban Affairs  
United States Senate  
Washington, D.C. 20510

Dear Chair Brown,

I am writing today following several attempts to secure an opportunity for an in-person discussion on an urgent topic impacting the U.S. blockchain community representing over 50 million American voters, including 2 million Ohioans.

It has come to my attention that S.2669, the Digital Asset Anti Money Laundering Act, may soon be under consideration in the Senate Committee Banking, Housing, and Urban Affairs [the "Committee"]. I strongly advise against bringing this legislation forward for consideration. As a U.S. Senator, and Chairman of the Committee, you represent every American, including the tens of millions who have been pleading for Washington to create a common-sense regulatory framework for digital assets. After a decade of stagnation and political posturing, our efforts to reach you and this resulting letter come at the community's request to avoid the dire consequences S.2669 could have on U.S. innovation.

While presented as a proposal to safeguard against illicit finance, this legislation poses a clear and present danger to U.S. national security and the broader economy. Our concerns follow a careful and thoughtful cross-industry analysis. This bill, if passed, will erase hundreds of billions of dollars in value for U.S. start-ups and decimate the savings of countless Americans invested in this asset class legally. Furthermore, this bill will ensure we cede any remaining leadership position in the digital economy to China, Russia, North Korea, and Iran, who are eagerly waiting to take advantage of the perceived willingness to abdicate such responsibility.

S.2669 represents an effective prohibition on digital assets, setting forth compliance requirements that are not only impractical but also unattainable for organizations tasked with securing blockchain infrastructure. The legislation contradicts the U.S. Treasury's Financial Crimes Enforcement Network's (FinCEN) 2019 guidelines,<sup>1</sup> which clearly define the roles within the digital currency

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<sup>1</sup> Financial Crimes Enforcement Network. *Application of FinCEN's Regulations to Certain Business Models Involving Convertible Virtual Currencies: FinCEN Guidance*. FIN-2019-G001. May 9, 2019, <https://www.fincen.gov/sites/default/files/2019-05/FinCEN%20Guidance%20CVC%20FINAL%20508.pdf>

ecosystem that qualify as money service businesses. By imposing such draconian measures, S.2669 threatens to extinguish the flame of innovation within the digital asset space, disproportionately disadvantaging small and mid-sized startups by erecting insurmountable barriers to entry. The broader implications of stifling such innovation are grave, undermining the United States position as a global leader in technological advancement.

To illustrate S.2669's potential impact, imagine an ink manufacturer tasked with tracking every individual who ever handles a single dollar bill printed with their ink, across the entire globe. Such an absurd expectation underscores the impracticalities of the proposed legislation. Just as tracking every dollar bill user would be untenable for an ink manufacturer, imposing similar demands on blockchain entities like digital asset miners and validators is equally unfeasible and detrimental to innovation.


Further, it is deeply troubling that members of the Committee have been intentionally misled with incorrect data concerning the impact and purpose of S.2669. Our engagements with the proposal's co-sponsors have revealed this disconcerting truth: many were surprised to learn of its far-reaching implications, including the potential to ban digital assets in the U.S. This revelation underscores the urgency of our plea: S.2669 is not worthy of consideration.

Recent research<sup>2</sup> funded by the U.S. Department of State indicates that China leads the U.S. in 37 of 44 "critical and emerging technology fields." A brain drain is taking shape as our best talent seeks opportunities abroad. This bill will cede further ground in the race to shape the future of blockchain technology, relegating the U.S. to a follower rather than a leader in this critical area. This not only compromises our competitive edge on the global stage but risks us surrendering control over blockchain technology's evolution. We must be clear: the decentralized nature of digital assets, when properly regulated, offers greater transparency and security than traditional systems, yet this bill ignores such potential. Moving this bill forward will have far-reaching consequences for economic and strategic interests alike.

Granting S.2669 increased legitimacy by considering it in the Committee sends a clear message of compromise on America's leadership in technology and finance. I urge you not to bring S.2669 up for consideration. Instead, foster innovation, protect consumers through smart regulation, and ensure the U.S. remains a leader in the global digital economy.

Thank you for considering our views, we hope that your leadership and long-standing commitment to giving Americans a "fair chance" to compete will guide the Committee to a decision that protects the interests of all Americans.

Sincerely,



Perianne Boring  
Founder and CEO  
Chamber of Digital Commerce

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<sup>2</sup> Gaida, Jamie, et al. "Critical Technology Tracker." *Who Is Leading the Critical Technology Race. A Project by the Australian Strategic Policy Institute.*, 2023, <https://techtracker.aspi.org.au>