

Crypto Council for Innovation

February 1, 2023

John Hunt
Chairman
House Commerce and Consumer Affairs Committee
New Hampshire State House
Concord, NH 03301

RE: HB 225

Dear Chairman Hunt,

Thank you for the opportunity to provide feedback on House Bill 225, “Relative to prohibiting the use of currency that could be detrimental to privacy rights.” The Crypto Council for Innovation (CCI) writes to oppose this legislation.

CCI is a global alliance of industry leaders in the digital asset and Web3 sectors that serves to educate consumers and policymakers and advocate for policy that spurs responsible innovation. Our members include Andreessen Horowitz, Block, Coinbase, Electric Capital, Fidelity Digital Assets, Gemini, Paradigm and Ribbit Capital. We believe that trusted partnership between government and business stakeholders is key to crafting inclusive policy that benefits consumers and industry alike.

Digital assets, including stablecoins, hold an important key to improving financial data flows. They facilitate broader and more direct access to capital, through the harnessing of massive amounts of liquidity around the world. For example, various forms of digital asset currencies are increasingly being used as cross-border payment methods, including remittances. The assets are also able to expedite the financial application process, make transactions more efficient and secure. As the New Hampshire Commission on Cryptocurrencies and Digital Assets acknowledges, “Stablecoin ownership and transaction records are cryptographically sequenced and secured on a blockchain, which allows settlement of digital transactions around the clock without any intermediary (such as a bank).”

Stablecoins offer a way to bridge the gap between fiat currencies like the U.S. dollar and cryptocurrencies. As policymakers recognize the need to address these burgeoning technologies, it’s important that they remain flexible to innovation and take a globally cooperative approach. While we commend the bill’s intent to address privacy concerns, a blanket ban of these technologies could inadvertently hinder a wide array of Web3 innovation and may also result in other unintended consequences, such as disrupting financial markets and causing significant user losses. A ban would be counterproductive for individual privacy, consumer protection, and software development, potentially resulting in billions of dollars of losses for users that policymakers are trying to protect.

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We are encouraged that New Hampshire is crafting thoughtfully-tailored legislation that seeks to assure the state's competitive advantage while protecting investors. CCI urges the committee to consider that regulations which have the effect of prohibiting classes of products or types of technology can cause existing companies to leave New Hampshire, taking jobs, revenue, and innovation along with them and could deprive residents and businesses of opportunities to participate in commerce with financial institutions and businesses using certain digital assets.

Web3 promises to be the age of ownership for consumers over their own privacy and data. We appreciate the opportunity to provide feedback on this legislation, and we look forward to working with the committee on these important issues.

Sincerely,

A handwritten signature in black ink, appearing to be 'S. Warren', written in a cursive style.

Sheila Warren, Esq.
Chief Executive Officer
Crypto Council for Innovation