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Testimony in Favor of HV 1268 & HCR 3024

To Whom It May Concern,

I appreciate this opportunity to contribute to these proceedings about blockchain technology. My name is Richard, and I am resident of the Commonwealth of Massachusetts. My experience is primarily in software architecture. Like a few of my classmates at UC Berkeley, shortly after learning about blockchain I had dropped out of school to work in the industry. I didn't have money to invest, so I put my mind to it and sold my time as an engineer and researcher.

The core promise of blockchain is the great power, and great responsibility, of replacing middlemen with formulas. Going beyond blockchain's first (and "killer") app, money, the underlying meaning of the term "transaction" is changing a row in a database. Society's most important databases tend to be controlled by institutions that don't really need to compete for that control, and thus are not as incentivized to maximize their operational effectiveness. Barriers to entry often exist with good intentions at heart; in the interest of consumer protection, as it were, whoever has authority over sensitive information must be carefully vetted, regulated, and subject to oversight.

Unfortunately, power preservation and consumer protection are often found at odds, for it is next to impossible to put un-hackable people in charge of the processes that control how rows get to change in society's most important databases. It is possible, however (though exceedingly costly), to produce un-hackable software. With blockchains, security and consensus is an emergent property of the collaboration of thousands of participants in the network and not a function of a single authority. Statements made on a canonical blockchain (yes, there are many flavors) are permanently and irrevocably timestamped. As such they are, "now and forever, one and inseparable" from the rest of "truth" as it lives "on-chain".

Until the invention of bitcoin in 2008, security and decentralization seemed like contrary concepts. Contrary to popular misconception, blockchains are not unregulated. Rather, several aspects of the state of blockchain networks and the data they operate with are regulated by pre-meditated logical recipes called algorithms. Algorithmic regulation offers predictable, objective, and measurable outcomes. It provides certainty without law enforcement influence.

In 1970, Richard Nixon signed the Bank Secrecy Act, turning money infrastructure into a political tool to control who is able to send and receive value. This system of control breeds exclusion, and though it may not always be used despotically or oppressively, it is a public good which clearly serves its "owners" more than the public. The public finds

itself divorced financially from “liberty, and union”, seeking outlets like WallStreetBets to fill that gap.

With HB1268, the blockchain industry can establish North Dakota at the forefront of innovation in autonomous financial services. If self-driving cars are good for the environment, self-driving banks are good for the average person’s savings account. Teslas might catch fire, and decentralized finance will have bugs, but historically, innovation has always paid off in the long run because it has a neat way of aligning the incentives of everyone involved.

In the same way that the Internet made information easier to transport, blockchain technology helps make information easier to verify. Just like cellular telephones allowed billions to become connected with the world, entirely by-passing the need for fixed-line telephone infrastructure, blockchain infrastructure can do the same for sensitive information…without the carrier network monopolies.

Cordially,
Richard Tiutiun