

**Statement for the Record of Chairman Fred Upton
Subcommittee on Commerce, Manufacturing, and Trade Hearing on
“Disrupter Series: Digital Currency and Blockchain Technology”
March 16, 2016**

Our Disrupter Series continues as we focus on digital currency and blockchain technology, just another example of how innovative uses of technology are powering the economy into the future. From executing smart contracts to settling money transfers in minutes instead of days, millions of folks in Michigan and across the country could see the blockchain transform how they engage in everyday commerce in the next few decades.

The exciting aspect about this technology, however, is that it can do much more than impact currency, it has the potential to affect almost every industry that relies on intermediaries to establish trust between two parties that want to do business. This can change how folks sell their car, sign a mortgage, or share music.

Back home in Michigan, startups are raising millions in venture capital to grow their blockchain-based businesses. For example, BTCS, headquartered in Troy, Michigan, raised \$4.25 million in 2015 to develop its transaction verification services business on the Bitcoin blockchain.

In the manufacturing space, supply chain management continues to challenge companies’ internal management functions as well as recall effectiveness. Given that the blockchain shows everyone in the network the current state of any asset and that asset’s history on the blockchain, tracking a particular good around the world from port-to-port is now possible and the information trustworthy, which can help improve logistics for the auto industry.

In the public sector, blockchain technology could positively disrupt voting, compliance, and real-time reporting.

The applications for blockchain technology are truly incredible. Everywhere there is an asset transfer, the blockchain can bring transparency and trust. As with any emerging technology, it is important to understand the risks and benefits to consumers and I hope our panel can speak to these issues for digital currency and future blockchain applications.

I thank Chairman Burgess for continuing the Disrupter Series and highlighting the positive impact that emerging technologies, like the blockchain, are having on our economy.