



COMMITTEE ON
SCIENCE, SPACE, & TECHNOLOGY
Lamar Smith, Chairman

For Immediate Release
May 8, 2018

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Statement by Chairman Ralph Abraham (R-La.)

Leveraging Blockchain Technology to Improve Supply Chain Management and Combat Counterfeit Goods

Chairman Abraham: Today's hearing will highlight potential applications of blockchain technology in shipping, logistics and customs, emphasizing supply chain management. A focus today will be how this technology can be leveraged to provide greater visibility into the supply chain and how the technology can be used to combat the distribution of counterfeit products. We will hear from government and private-sector experts about blockchain's potential to improve the security of our systems and how it can ensure customers and the companies alike, that the products and services being used are verified.

The Science Committee continues to engage in oversight of emerging forms and applications of technology, just like the discussion that will occur on blockchain today. We recognize that these technologies can benefit both the public and private sectors, and seek to understand what can be done to ensure that this technology is appropriately leveraged in an efficient and productive manner. Through ensuring reliability, increasing productivity, and securing systems and data, the application of blockchain technology is an area in which there is much to learn.

While the applications for blockchain technology are continuously increasing, this hearing is an opportunity to learn more about its specific use in supply chain management. Today's witnesses can provide valuable insight into how blockchain can enhance security and be leveraged outside of the private sector to improve government efficiency.

We must also recognize the barriers faced by the private sector in leveraging blockchain technology in order to fully realize its potential benefits. By hearing from individuals today that are taking part in ongoing and proactive efforts within the private sector to utilize blockchain technology in different areas of their business models, we can gain a better understanding of what, if anything, industry needs from the government.

I want to thank Mr. White for being here to represent Maersk, and Mr. Rubio representing UPS. These companies are presently engaged in important case studies using this technology. We look forward to learning about those efforts. Additionally, Mr. Chiaviello is here today to detail some of the counterfeiting and business issues companies like Luv n' Care are experiencing. Baby care products are some of the most important on the market. We must be able to verify the authenticity of these goods. There is a potential role emerging for technologies like blockchain to address these global supply chain safety issues.

The committee will continue to prioritize issues like verification and overall cybersecurity. We hope venues like today's hearing will help provide a better understanding of the issues our private industries are facing and how they are utilizing emerging technologies. This knowledge can better inform the committee on how the application of blockchain technology could potentially bolster private companies' and the federal government's cybersecurity weaknesses.

Dr. Maughan, we appreciate you being here today to provide more insight into the role the Department of Homeland Security (DHS) has played in utilizing this emerging technology. DHS Science and Technology Directorate is in a unique position to provide valuable insight and serves a useful role in exploring a broader understanding and application of the technology in areas directly related to shipping, logistics and customs. Additionally, through the many projects and ventures it supports, DHS has the ability to effectively identify the potential for blockchain technology and address how the federal government could benefit. These potential solutions could help secure data and enhance our national security.

I look forward to the insight our witnesses will provide. This dialogue will help us resolve important questions and better understand the next steps that must be taken to ensure the integrity, resilience and security of our systems and industries that could—and do—benefit from the application of this technology.

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