

Chairman Claggett, Vice Chair Workman, and Ranking Member Mohamed. My name is Andrew Burchwell, I am the Executive Director of the Ohio Blockchain Council, a non-profit trade association dedicated to ensuring that Ohio remains at the forefront of innovation through the development and adoption of blockchain technologies, digital assets, and digital asset mining. Our members are a variety of organizations, including digital asset exchanges, digital asset miners, software companies, energy development companies, and university partners to name a few.

Our work began in earnest in 2022 as the word blockchain and digital assets like Bitcoin were returning to popular attention due to the significant rise in asset prices and a global influx of digital asset mining due to the national ban on such activities in China, sending over 30% of all global computation for Bitcoin to other jurisdictions of choice. Today, we sit at the precipice of a new era of global adoption of these technologies, and, due to the recent federal electoral outcomes, the US is poised to become a rightful leader in the development and adoption of the digital asset industry.

I am here today in support of HB 116, largely because my belief is that now is also the time for Ohio to clarify its position as a leader in blockchain technology and digital assets. Ohio is already home to several industry-leading startups, public companies, and university departments that are developing these technologies and the workforce of tomorrow through software and hardware advancements, and it is my belief that further clarification of the law through HB 116 will increase the confidence that this industry has in Ohio as a place to build.

Take River, a Bitcoin native financial services firm that was originally headquartered in San Francisco. They looked all across the country for a new primary headquarters, and chose Columbus, Ohio as their new home due to its quality of life, cost of living, and access to incredible talent through our university systems. Consider Bitcoin mining companies such as Standard Power, Bitdeer, and MARA who all recognized the potential to build sizable data centers for the Bitcoin blockchain right here in Ohio, recognizing our underserved rural communities are prime places to build and hire a workforce that is fit for the job. Another example of a 'built in Ohio' story is a local startup Synota, which is using the Bitcoin blockchain to change the way we buy and sell energy across all markets, utilizing the efficiencies, and security of the blockchain to incentivize real time energy payments, which saves money and time for customers and producers alike. These are just some examples of the potential for these technologies in the State of Ohio, and it is my belief that we are just getting started.

As I mentioned, the recent change in administration in the federal government has led to a remarkable shift in policy and tone in a positive way toward the digital assets industry. For

the last four years under the Biden administration, our industry came under unprecedented assault which led to extreme uncertainty and a lack of investment in these technologies within the United States. Just as it is important that the US Government creates regulatory clarity for these innovative technologies, it is equally important that Ohio does the same. HB 116 goes a long way towards ensuring that Ohioans have access to digital financial freedom. Most importantly, it ensures that individuals have the right to hold and transact with digital currencies. Clarifying this right is to ensure that Ohio remains on the right side of history. Imagine a scenario where Ohioans were prevented from having the ability to access and adopt the internet in its early stages. I believe these technologies have an opportunity to become just as important and pivotal to our future way of life, and ensuring fair access is fundamental to ensuring a brighter future for Ohioans.

Similarly, HB 116 protects the development of the infrastructure that underlies the ability for the Bitcoin network to perform its function as both a store of value and a medium of exchange. Commonly referred to as 'Bitcoin mining', the data centers being developed right here in Ohio are critical to the success of the Bitcoin network, and having these data centers built in Ohio provides a few key benefits. First, it ensures that Ohio remains a crucial part of the global economy of Bitcoin. Second, these data centers are often built in rural communities where traditional data centers are not typically looking to build. This provides local jobs, tax impact, and a better economy for all those who participate. In addition, Bitcoin mining computers are known to be extremely flexible in their usage of power, which allows them to participate in demand response and curtailment during times of peak grid load and stress. Providing electricity back to the grid in times of need helps our grid remain stable and is part of the solution so that residential consumers are not at risk for power outages, particularly in times of severe weather events. The current federal administration has signaled that they want to encourage Bitcoin to be 'Made in America', and it is my belief that we should be equally invested in the future of Bitcoin being 'Made in Ohio'.

HB 116 clarifies definitions that update our code of law to incorporate technologies of the future and remain a place where innovation can thrive. Clarifying the rules surrounding tax payments, money transmittance licensing, and jurisdictional zoning laws are all necessary to signal to the global economy that Ohio is open for business, and that there is no risk of undue or unjust rulemaking against the developments this industry seeks to provide within the State of Ohio. Further, while it is not included in this specific language, I believe it is also worth noting the importance for the State of Ohio to also consider the adoption of Bitcoin as a treasury reserve asset and strategic investment, following the lead of the US Governments recent policy positioning as well as the example of numerous publicly traded companies, which I have included as supplemental material to this testimony. I want to

thank the members for your time, and I strongly encourage the adoption of this legislation to ensure Ohio remains a leader in digital innovation now and into the future. Thank you for allowing me to testify today. I am happy to answer any questions at this time.