

Chairman Claggett, Vice Chair Workman, Ranking Member Mohamed, and members of the Ohio House Technology and Innovation Committee, thank you for the opportunity to testify in support of HB 18, the Ohio Strategic Reserve Act.

Good morning, my name is Chris Mast, a practicing CPA and Assurance Partner at GBQ. GBQ is an Inside Public Accounting top 100 firm that is proudly headquartered in Columbus, Ohio.

In 2021, prompted by a colleague, I started researching digital assets, focusing on Bitcoin. I began as a skeptic. My primary concerns initially focused on energy consumption, government intervention, volatility, and intrinsic value. Since then, I have dedicated significant time to studying the factors that make this asset class promising and would like to share some of my findings with you today.

First, we must face the reality of our current situation. Our national debt stands at approximately \$37 trillion and is expected to grow an additional \$2 trillion over the next 12 months according to the Congressional Budget Office. The inflation that is driven by these deficits is eating away at the real returns of Ohio's Budget Stabilization Fund, businesses and the wages of its citizens. Bitcoin's limited supply of 21 million, on the other hand, is non-dilutive.

Public trust in financial institutions has declined due to a lack of transparency. Bitcoin's open-source code allows its monetary policy to be independently verified, and the blockchain records every transaction for full auditability. Unlike pre-mined cryptocurrencies, bitcoins are distributed through a competitive public mining process. Bitcoin's software maximizes reliability through decentralization, eliminating single points of failure. In 16 years of continuous operation, the Bitcoin blockchain has never been hacked.

Financial regulators such as the Securities and Exchange Commission (SEC) and Financial Accounting Standards Board (FASB) have taken significant measures to incorporate Bitcoin and other digital assets into the regulatory framework. This includes the approval of Bitcoin exchange-traded funds, rescinding SAB 121 and implementing fair value accounting for companies who hold Bitcoin on their balance sheet.

HB 18 provides Ohio with the opportunity to demonstrate its commitment to embracing innovative technology and diversify its balance sheet. Thank you, Chairman Claggett, and fellow distinguished members of the Committee for your time and consideration. I look forward to answering your questions and being a resource to you into the future.