

First, I'd like to take a moment to acknowledge the passing of our friend and former colleague, Senator Mike Enzi.

Some of us served with him on this committee, which he joined in 1997. We remember his kindness, his personal birthday notes that we all looked forward to. He spoke at the Ohio College Presidents Conference we host each year – we always try to bring in leaders of both parties – sharing his insights with Ohio's higher education leaders.

He talked often of bipartisanship – and he meant it.

On a personal note, I think of our long discussions about Boy Scouts. We were both Eagle Scouts, and we often talked about his work to strengthen the Scouting movement.

Our thoughts are with his wife Diana, his children Amy, Emily, and Brad, and with the people of Wyoming.

Since Bitcoin came online in 2009, thousands of these so-called “digital assets” – virtual currencies, cryptocurrencies, stablecoins, investment tokens – have poured into the markets.

All of these currencies have one thing in common – they're not real dollars, they're not backed by the full faith and credit of the United States.

And that means they all put Americans' hard-earned money at risk.

From tech giants like Facebook's Libra – or Diem, or however their PR consultants attempt to rebrand it next – to fly-by-night operations, we've seen far more empty promises than we've seen viable cryptocurrencies.

A cottage industry of decentralized financial schemes has also cropped up alongside these alternative financial products, in the hopes of creating a parallel financial system with no rules, no oversight, and no limits.

They claim to enable “transparency.” Their backers talk about the “democratization of banking.”

There's nothing “democratic” or “transparent” about a shady, diffuse network of online funny money.

After a decade of experience with these technologies, it seems safe to say that the vast majority haven't been good for anyone but their creators.

This technology is almost never used to buy real goods and services. Which is what any currency is supposed to be used for, after all.

Some cryptocurrency supporters see these technologies as a way to take power back from the Wall Street bankers, whose complicated and opaque financial scheming crashed the economy.

When the only other option appears to be Wall Street, maybe it's hard to blame anyone for putting their faith in cryptocurrency.

I hear the same message over and over from Ohioans: people don't trust banks, and they especially don't trust the biggest banks.

They have been burned over and over again by fees, by minimum balances, by waiting periods, by segregated "second chance" accounts.

And of course, they all remember the crash, the bailouts, the lack of accountability.

But as these technologies have developed, most of them seem to mirror – rather than to challenge – the Wall Street model.

In fact, traditional financial institutions are angling to become the biggest players in these markets, and it's a good bet they'll find even more creative ways to use these new technologies to dodge accountability and put our entire economy at risk again.

We should all be concerned.

Thankfully, President Biden has begun to replace Trump-era financial appointees with real financial watchdogs, who take seriously the job of protecting people's hard-earned money. But the financial recovery remains fragile, as coronavirus variants emerge, and there are still regulators to appoint.

Yes, some of these underlying technologies may have useful applications, beyond evasion of banking and securities laws – those are generally applications outside of finance.

One of those technologies we'll hear about today – Filecoin – uses economic incentives to provide digital storage space.

But if we want a solution to Americans' legitimate fears about our banking system, shady start-ups are not the answer.

We need more community banks that are actually in people's neighborhoods and that understand their lives.

We need No-Fee Accounts, backed by the full faith and credit of the United States through the Federal Reserve, that allow everyone to open a bank account and make online purchases.

And we need to show people there will be real accountability – not just a default to the same Wall Street system where bankers get all the profits and working families end up with all the risk.

We need to make sure the American economy remains the safest and most dependable in the world.

The last thing we should be doing is giving another industry a chance at wrecking that reputation – a reputation our entire economy depends on.

The best thing we can do to protect Americans' money is to adopt smart regulations that protect investors and consumers, and separate the innovators from the extortionists.

I look forward to learning more from our witnesses today.