

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Dear Miss Syracuse,

I am sure you have been awash with comments concerning BitLicense, and I apologize for adding to the volume.

There is so much wrong with the proposed regulations that it is difficult to put into words. Of primary concern are the inherent breach of privacy, government overreach, and stifling burden on a burgeoning technology.

Bitcoin and related cryptocurrencies are designed to give a modicum of privacy to its users through pseudonymity. This has been widely praised as beneficial to free speech. Those who know they are watched will curtail any activity they deem possible to attract attention, which has a severely negative impact on innovation and freedom. Moreover, Bitcoin is not recognized as legal tender in any country in the world, so it cannot be considered to be subject to any legislation regarding currency. Finally, retention of sensitive Personally Identifiable Information, especially regarding finance, poses an enormous security risk on the user and a correspondingly enormous burden on the record-keeper to maintain the privacy of those records.

Of further concern is that this legislation would even be attempted, as the state of New York probably has no right to impose such regulation, especially on people outside its jurisdiction (as I understand, BitLicense would apply to any transaction or service "involving" New York). The ability of a state to pass laws is allowed to it by the US Constitution and given to it by the People. I am fairly certain that the ability to mandate licensure and record-keeping of non-monetary transactions is not granted to the State of New York. If illicit use of Bitcoin is a concern, use current laws to prosecute those infractions rather than burdening everyone with a heavy-handed and impractical new law.

Finally, the proposed legislation would apply to all digital currencies, regardless of use. There are currently several services based on the Bitcoin network protocol used for non-financial purposes, such as Namecoin, which serves as a way to negotiate the distributed equivalent of a domain name, and BitMessage, which is an instant messaging program that uses the Bitcoin network to determine identity and negotiate session credentials. By regulating all digital currencies, these services, offered for free, could not exist.

I urge you and the New York legislature to reconsider its position on this controversial, unpopular, and likely illegal proposed legislation.

Thank you for your time.