

Congress of the United States

Washington, DC 20510

16 June 2022

Hon. Michael S. Regan, Administrator
United States Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Dear Administrator Regan,

We are writing to seek your assistance in ensuring that Environmental Protection Agency pursues a comprehensive analysis as it relates to understanding the potential environmental effects of digital asset mining.¹ The United States is the global leader in financial services and technology innovation. At a time of rapid technological change, we must affirm our commitment to responsible innovation to ensure future generations of Americans continue to enjoy prosperity and opportunity. President Biden’s Executive Order recognizes this commitment, finding that “[w]e must reinforce United States leadership [...] through the responsible development of payment innovations and digital assets.”²

As you know, a substantial portion of digital asset miners’ energy use is based on renewable sources. Additionally, many miners use other power sources, like natural gas, that may otherwise go unused. JAI Energy in Wyoming is an example of a company that is working with oil and gas producers to make a positive environmental impact through bitcoin mining. Bitcoin mining that utilizes flared gas is also reducing methane emissions in Texas, New Mexico, Colorado, West Virginia, Ohio, and North Dakota.³ This private sector-led breakthrough is an important tool to a lower emission future. Finally, digital asset mining can have a substantial stabilizing effect on energy grids. It maintains robust baseload levels, yet it can be switched off quickly in times of peak demand.

Most importantly, digital assets, and their related mining activities, are essential to the economic future of the United States. Other countries are rapidly moving to adopt digital assets and are attracting large amounts of capital and talent in the hopes of growing their own financial services sectors as digital assets and distributed ledger technology are widely adopted in the coming decade. The United States, as the global financial services leader, cannot rest on its laurels. We must focus on promoting responsible innovation so that our country can compete in a hypercompetitive, globalized economic system. Treasury Secretary Yellen articulated it best last week when she stated regulation should also be “tech neutral.” Favoring one technology over another, including proof-of-work versus proof-of-stake, can stifle innovation, erode future economic gains, and limit affiliated efficiencies.

¹ Letter on the Environmental Impacts of Digital Asset Mining from Rep. Jared Huffman, et al., to Hon. Michael S. Regan, EPA Administrator, April 20, 2022, available at https://huffman.house.gov/download/crypto-letter-to-epa_4202022.

² Executive Order on Ensuring Responsible Development of Digital Assets, 87 Fed. Reg. 14143 (Mar. 9, 2022).

³ Bitcoin miners also are utilizing energy from nuclear, hydro, solar and wind that would otherwise be curtailed in California, Tennessee, South Carolina, North Carolina, Washington, New York, and Georgia.

Digital assets are an essential component of promoting financial inclusion and have created new wealth building opportunities for Americans. American leadership in digital asset technologies is essential to ensuring the next generation of Americans can enjoy the prosperity and opportunity that our country has been blessed with. As you evaluate the potential environmental issues surrounding digital assets, the critical role that responsible innovation will play in our long-term economic future cannot be overlooked.

We look forward to continuing our discussion on these critical issues.

Sincerely,



Sen. Cynthia M. Lummis
Senate Banking Committee



Rep. Patrick T. McHenry
Ranking Member
House Committee on Financial Services



Sen. Bill Hagerty
Senate Banking Committee



Rep. Pete Sessions
House Committee on Financial Services



Sen. Kevin Cramer
Senate Banking Committee



Rep. Bill Posey
House Committee on Financial Services



Sen. Steve Daines
Senate Banking Committee



Rep. Bill Huizenga
House Committee on Financial Services



Rep. Tom Emmer
House Committee on Financial Services



Rep. Andy Barr
House Committee on Financial Services



Rep. Anthony Gonzalez
House Committee on Financial Services



Rep. Bryan Steil
House Committee on Financial Services



Rep. William Timmons
House Committee on Financial Services



Rep. Ralph Norman
House Committee on Financial Services