DeFi Education Fund

The Honorable Tim Scott
United States Senate
104 Hart Senate Office Building
Washington, DC 20510

The Honorable John Boozman
United States Senate
555 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Elizabeth Warren
United States Senate
311 Hart Senate Office Building
Washington, DC 20510

The Honorable Amy Klobuchar
United States Senate
425 Dirksen Senate Office Building
Washington, DC 20510

August 27, 2025

Dear Members of the Senate Committee on Banking and Committee on Agriculture:

We are united in our commitment to protecting the software developers and non-custodial service providers building our digital financial future. We, the undersigned organizations—112 crypto builders, investors, and advocates—speak to Congress with one voice: **provide robust, nationwide protections for software developers and non-custodial service providers in market structure legislation. Without such protections, we cannot support a market structure bill.**

As much-needed digital asset law develops in the United States, it is critical that legislation recognizes and preserves the historical protections afforded to open-source software development, and ensures that software developers and non-custodial service providers who create, support, and enable access to decentralized networks are not forced into unworkable regulatory categories designed for the traditional, intermediated financial world. The United States' historically welcoming approach to software development has allowed it to lead the world in developing cutting-edge technology over the last half-century, from the earliest internet technologies to the emergence of AI. For that leadership to continue into the digital financial age, and for the United States to become the "crypto capital of the world," market structure legislation must treat blockchain technology as neutral infrastructure and include comprehensive protections for the developers building it and the non-custodial service providers enabling users to access it.

Absent legislation, the United States will continue to cede software development ground due to regulatory uncertainty. "The total share of open-source software developers in the United States dropped from 25% in 2021 to 18% in 2025" – a trend largely attributed to the lack of regulatory certainty for software development.[1] As the President's Working Group Report on

[1] Total Developer Share by Country, Report by Electric Capital, www.developerreport.com/geography.

Digital Assets recently stated, “reversing the decline of blockchain development in the United States is central to the goal of making America the crypto capital of the world.”[2]

We are grateful that the House and the Senate included the Blockchain Regulatory Certainty Act and Keep Your Coins Act in their respective drafts of market structure legislation. These bills recognize the distinctions between intermediated finance and decentralized networks, and protect important American values such as the right to self-custody and freedom to engage in peer-to-peer transactions. Both are essential to making the United States a hub for blockchain innovation. However, additional critical clarifications are needed, as detailed below, and these protections must also be federally preemptive to avoid a patchwork of 50-state laws.

To create an environment in which innovators across America can confidently and safely build financial infrastructure, the final version of market structure legislation must include explicit federal protections for blockchain infrastructure developers and non-custodial service providers. These protections must make explicit that no individual or entity is subject to regulation solely for engaging in activities that are core to creating, developing, publishing, and maintaining blockchain networks, nor for enabling users to access such networks via software interfaces while maintaining custody of their own funds. Legislation should not regulate developers differently based on the type of software they create when they are not acting as intermediaries and don’t have control or custody of user assets. Legislation must shield developers from being misclassified or prosecuted as operators of money transmitting businesses under 18 U.S.C. § 1960. To ensure legal clarity and nationwide consistency, federal legislation must preempt conflicting state laws. Without these explicit safeguards, the bill risks stifling innovation, undermining open-source development, and driving blockchain infrastructure development out of the United States.

Protecting software developers is a firmly bipartisan issue, as demonstrated by decades of support for open-source software and the bipartisan supermajority passage of the CLARITY Act, when 294 members voted in favor of protecting software developers and non-custodial service providers. While this broad support is encouraging, we urge the Senate to improve on the developer protections in the CLARITY Act, and deliver clear, nationwide protections that will allow developers to innovate with confidence in the United States. By doing so, the Senate can build on this bipartisan momentum and solidify American leadership in software development.

We thank you for your hard work and continued leadership in providing clear rules for the digital assets industry.

Respectfully Signed,

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[2] President’s Working Group Report on Digital Asset Markets, Strengthening American Leadership in Digital Financial Technology, 25 (July 30, 2025), https://shorturl.at/Mzaw2.

DeFi Education Fund
Alabama Blockchain Alliance
Bitcoin Policy Institute
Blockchain Association
Cedar Innovation Foundation
Chamber of Progress
Crypto Council for Innovation
Decentralization Research Center
Florida Blockchain Business Association
Michigan Blockchain Council
Minnesota Blockchain Initiative
New Jersey Innovation and Technology Alliance
North American Blockchain Association
North Carolina Blockchain and AI Initiative
North Dakota Blockchain Council
Solana Policy Institute
South Carolina Emerging Tech Assoc Inc.
South Dakota Blockchain Institute
Stand with Crypto
Texas Blockchain Council
The Digital Chamber
Virginia Blockchain Council
Wisconsin Blockchain Business Council

a16z crypto
Aerodrome
Aleo Network Foundation
Anchorage Digital
Anagram Ltd.
Anza
Aptos Labs
Aragon
Avalanche Foundation
Aztec Labs
Bitmine
Blockaid
Blockchain Capital
Castle Island Ventures
Chainlink Labs
Code Inc.
Coinbase
Dapper Labs
Decibel Foundation
DeFi Development Corp
Delphi Ventures
Digital Currency Group
Digital Securities Initiative
Douro Labs
Dragonfly
DoubleZero Foundation
dYdX Labs
Electric Capital
Electric Coin Co.
Ethena Labs
Etherealize
FalconX
Futuretechga.org
Galaxy Digital
Gauntlet Networks
Grayscale Investments
GSR
Halliday
Hedera Hashgraph, LLC
Hekaton LLC
IoTeX
Jito Labs
Jump Crypto
Kraken
Krypton Labs
Ledger
Lido Labs Foundation
Magic Eden US
Miden
Monad Foundation
Morpho
Multicoin Capital
Mysten Labs
New Arrow Ventures
North Island Ventures
Offchain Labs
Orca Creative
Pantera Capital Management
Paradigm
Paxos
Phantom Technologies, Inc.
Plume Network
Polygon Labs
Predicate
Remaster, Inc.
Ripple
RockawayX
Securitize
Sei Labs
Solana Foundation
Solana Labs
StableLab
Superstate
Surus
Tally
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