BREAKER

Mr. Bitcoin Goes to Washington

Brian Patrick Eha

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John Collins will not say who asked him about the Antichrist.

It was an elected official of one of these 50 states, that much he will say, and he will say it happened not so long ago, when Collins was head of policy at Coinbase, a job which entailed traveling around the country, to state capital after state capital, explaining bitcoin to lawmakers and regulators. He will not say which position this democratically elected avatar of the people held. No matter. Collins had to meet with him, because Collins was then something of an avatar himself, representing Innovation, Progress, the New New Thing.

He was going around making the case that his employer deserved to be licensed as a money transmitter in all 50 states so it could serve their residents. Serving their residents meant enabling them to buy and sell bitcoin—best known, in those days, as the currency of online black market Silk Road—and giving them a digital wallet in which to keep it.

Even for Collins, a former senior aide to the Senate Homeland Security Committee and thus a veteran of what is called “the process,” this was no easy task. Given an hour with a politician or regulator, he says, “I had to spend 45 minutes talking about blockchain from scratch. ‘What’s mining?’ ‘What is a consensus mechanism?’ All of this stuff. Then *maybe* ten minutes talking about what the hell Coinbase does. And then maybe I had five minutes to talk about what the heck I actually needed to talk about.” And so, at his meeting with the unnamed official, Collins had started his spiel in earnest, when the official interrupted him. His concerns were not legal or technical but spiritual. “This gentleman,” says Collins, “asked me if bitcoin was the Mark of the Beast.”

The question threw Collins back to the religious instruction of his childhood. Back to those absurd *Left Behind* novels and the belief, rampant among evangelicals, that in the End Times there will arise a one-world government to which all must swear allegiance and a one-world currency in which all must conduct their trade—in short, a Mark of the Beast (Revelation 13:17: “no man might buy or sell, save he that had the mark, or the name of the beast, or the number of his name”). *The number of his name.* You can see why a math-based cryptocurrency might spook the poor unnamed official. For a good Episcopalian like John Collins, the question was ridiculous. “But I then had to explain why bitcoin was not the currency of the Antichrist.” Such are the struggles of the bitcoin lobbyist.

Collins tells me this story over the phone some weeks before we meet for dinner at a trendy restaurant in Washington. The tanned, 33-year-old Collins, looking utterly at ease and in his element, sockless and wearing a blue polo shirt and boat shoes, has agreed to help me get the lay of the land. Over martinis and glasses of pisco, he explains how, with the blockchain industry bringing to bear on government officials an ever greater quotient of attention and money and influence, an ever greater number of those very same officials are declaring themselves proud blockchain allies. Yet even as my mental map of Washington begins to correspond more closely to the territory, the story of the poor ignorant official stays in my mind. It becomes part of the subtext for everything I see and hear. Largely unnoticed by the press, the blockchain industry is now spending hundreds of thousands of dollars a year to lobby Congress and regulatory agencies. Even as Collins and I tuck into our *lomo saltado*, a handful of the largest, most well-capitalized cryptocurrency companies are preparing to launch a new industry group to persuade policymakers to pass favorable legislation. As the visible signs of this activity mount up, the story of Collins and the official comes to seem emblematic of a troubling, and potentially explosive, disconnect.

Entrepreneurs and technologists are working to build the infrastructure of the future. Politicians, it seems, are trying to ward off Satan.

It occurs to me, as I ponder this clash of cultures, that it throws into high relief certain fundamental differences between, on the one hand, government insiders and, on the other, a class of people who never deliberately approach government unless they are trying to stave off a problem or get something they need. These differences amount to a gap across which both parties might shout and gesticulate at one another or send up smoke signals or stretch telephone wires but which they cannot bridge and which is in fact unbridgeable. Entrepreneurs and technologists are working to build the infrastructure of the future. Politicians, it seems, are trying to ward off Satan.

“My guess, my hunch, is that you would probably still have those conversations [about the Antichrist] with folks today,” says Collins. “I know you would.”

The Night’s Watch of Crypto

One could easily mistake Washington for the infernal city. Eternally either teeth-chatteringly cold or broiling hot, the atmosphere of the federal district is so oppressive in August that even a 20-year veteran of the town like Amy Davine Kim—chief policy officer of the Chamber of Digital Commerce, and therefore something like the polished, impeccably credentialed tip of the spear for blockchain industry lobbying—is forced to admit there are only about 15 days a year when the weather could be called beautiful. In winter, when the wind blows cold off the Potomac and the National Mall is banked with snow and the bare elm trees are shrouded in white, one recalls that at the very bottom of Dante’s hell is a frozen lake, where languish, eternally imprisoned in the ice, betrayers and oathbreakers of all kinds, including those who have gone down in infamy as traitors to their country.

My visit to Washington, the week before Labor Day, coincides with a monstrous heat wave. With the heat index spiking into the triple digits, the nation’s capital in this August recess of an election year gives off an air of lassitude, or one might almost say détente. The marble corridors of power echo with the *slap-slap-slap* of summer sandals. Male staffers wear polo shirts and boat shoes, or let white undershirts peek out from the unbuttoned collars of wrinkled dress shirts they have rolled up at the sleeves. The sight of congressional aides sunk down in leather chairs in their boss’s office is like those pictures of Union soldiers relaxing in camp with their jackets unbuttoned and their boots off.

Ordinary routines are suspended. On my hotel television are remembrances of Senator John McCain, whose body in a few days' time will lie in state in the Capitol Rotunda. Assorted politicians, power brokers, and members of the public, including the two former presidents who ended McCain's own runs for the nation's highest office, will assemble around his flag-draped coffin both to bury and to praise him, briefly remembering the value of bipartisanship before digging in for the final weeks of the midterm campaign.

Few policymakers are thinking about crypto at a time like this. But crypto is thinking about them. The industry, the community, those who defend and advocate for the technology—all are now aware that there is a game being played here; that its stakes for their companies, their financial liberty, and the future of the internet are enormous; and that it would behoove them to grab a seat at the table, ante up, and play to win.

Some of them have been taking meetings, quietly building relationships, and answering questions for years, doing the yeoman's work required to educate legislators and regulators on the merits and risks of cryptocurrency and blockchain technology. Gradually the ranks of advocates have swelled, their views have grown more prominent, and from those early outreach efforts have arisen organizations with a laser-beam/sniper-scope focus on the policy decisions meted out by Washington. They have moved on from basic education and are now seeking specific policy outcomes, even as wealthy investors and well-funded startups have begun aiming to influence federal elections.

The creator of Bit-PAC, a long-dormant political action committee that aims to promote widespread acceptance of bitcoin, has revived it with a six-figure war chest for the 2018 election cycle. Coinbase, the eight-hundred-pound gorilla of U.S. crypto companies, has formed its own PAC with the explicit goal of electing crypto champions to Congress. The Chamber of Digital Commerce has backchanneled with a House of Representatives member to defuse another congressman's recent attempt to paint bitcoin as a national-security risk. And Coin Center, a nonprofit think tank/advocacy group that retains an outside lobbying firm and operates like a six-person Electronic Frontier Foundation for open decentralized blockchains, having already made an impact on the application of securities law to cryptocurrencies, has begun to argue that the Internal Revenue Service's tax treatment of digital assets should be reformed.

I find Jerry Brito, Coin Center's executive director, huddled with two colleagues around an oval conference table in a large, unpartitioned room on the third floor of a WeWork building that serves as the group's office space. They are at pains to clarify what they do and why they do it. "We care *deeply* about this technology," says Brito. His dark wavy hair is going gray, and he has an intelligent, watchful demeanor, with that rare mix of passion and caution that bespeaks a life spent working at nonprofits. He and Peter Van Valkenburgh, the group's lean, handsome research director, do nearly all of the talking, while Neeraj Agrawal, the affable, bearded communications director, takes notes on a large legal pad. Originally Coin Center rented space from a consulting firm in an office building close to the White House and the Treasury Department, but found it too large for their needs. Rather than retreat to separate offices, they tended always to cluster around a single table. About three and a half years ago they moved into the WeWork on Seventh Street, half a block from the National Portrait Gallery. The table, and the camaraderie, came with them.

If there is a Night's Watch of crypto, Coin Center is it. I make passing reference to their lobbying on behalf of the "crypto industry," and Brito corrects me instantly: their allegiance, he says, is to the technology, not to the industry that has grown up around it. Van Valkenburgh looks at me over the tops of his glasses. "We're neutral brokers," he says. "We're not out here to sugarcoat the technology, but neither are we here to whitewash it."

Behind Brito, on a bare brick wall, hangs a whiteboard covered with an incredible profusion of stickers from blockchain startups and other tech groups, including one from the EFF that says come back with a warrant, and another from Coin Center that declares you can't regulate math. In the middle, in big block letters, is an imitation of one of those workplace-safety counters. It reads: days since last incident: Ø. They wrote it on the board in December 2017, around the time bitcoin hit $20,000 and Coin Center was besieged with calls and emails from all kinds of entrepreneurs, lawyers, and government officials. But this is crypto—incidents happen every day—so the number never changes.

Brito launched Coin Center with $1 million of industry cash in September 2014, but his streak as a bitcoin booster on Capitol Hill began even earlier, while he was still directing the technology policy program at George Mason University's pro-free-markets Mercatus Center. Until July 2018, someone from Coin Center had testified at every crypto-related hearing ever held on Capitol Hill. Van Valkenburgh, whom Brito calls "crypto Kramer," for how his poofy, curly hair resembles the *Seinfeld* character's, has a dry, somewhat monotone delivery that belies his eloquence. He has consistently been one of the most articulate experts to testify before Congress on matters related to cryptocurrency. On June 8, 2017, while Van Valkenburgh was testifying at a hearing held by the House Energy and Commerce Committee, Brito was across the hall giving his two cents to the House Financial Services Committee. What should have been a public-relations coup for Coin Center was largely ignored at the time, since both hearings took place on the day former FBI director James Comey told the Senate Intelligence Committee about his scandalous conversations with President Donald Trump.

"We've always been incredibly careful to sound a note of realism, or even caution, about this technology," says Brito, tugging on his left earlobe distractedly and looking away. "Whenever we have folks come to us and say, 'Hey, maybe we could use this for health records'—"

"Or humanitarian aid," adds Van Valkenburgh.

"We tell them, 'Listen, this technology is incredibly novel and untested. Why do you want to use it, as opposed to anything else that you could use?' There are very few proven use cases for this. So one thing we've done is just always be, um—"

"Sober," adds Van Valkenburgh.

"Sober," Brito agrees.

"A lot of our wins are simply that bad stuff doesn't happen."

They are always at pains, Brito says, to draw distinctions between this and that—*this is why ether, the native coin of the Ethereum network, is not a security despite having first been marketed to the public in a crowdsale four years ago* (a stance with which the Securities and Exchange Commission now agrees); *here is what cryptocurrency is good for and what it is not* (a lot, in both cases)—to sketch the subtleties of frightfully complex concepts for people who can't make heads or tails of them on their own.

To point out specific times when Coin Center has "swooped in and saved the day" would diminish the daily work they do, says Marco Santori, the president and chief legal officer of Blockchain, which provides a popular digital wallet. (Unlike Coinbase, Blockchain doesn't store coins on behalf of users, and so has benefited from Coin Center arguing successfully that such "non-custodial" software companies should be exempt from state money-transmitter licensing.) "The overwhelming majority of the work they do is not televised," Santori says. "When there's a new development that threatens to produce an ill-considered, knee-jerk reaction, either from regulators or from policymakers, they are on the spot, there to fill in the gaps, keep focus on the big picture, and identify the real risks as opposed to the bogeymen."

Brito puts it simply: "A lot of our wins are simply that bad stuff doesn't happen."

Like what they kept from happening in California a few years ago. New York had just enacted its controversial BitLicense, a piece of state-level regulation so onerous in its requirements that a number of digital-currency companies simply packed up and left the state. Coin Center feared "regulatory contagion"—meaning that a new set of rules established in one jurisdiction could soon take dominion everywhere. In February 2015, the chairman of the California State Assembly's finance committee, Matt Dababneh, introduced a bill that was, says Agrawal, "a copy-and-paste of not just the BitLicense, but the *unrevised first draft* of the BitLicense, which was even worse than what ultimately emerged."

Coin Center talked to Dababneh and figured out that what he actually wanted to do was to make California attractive to tech startups. That he was going about it, like so many legislators before him, in the worst possible way did not seem to trouble him—until Coin Center bent his ear. Before you knew it, they were working with Dababneh to develop a new bill, one that exempted non-custodial companies and also offered startups an on-ramp in the form of a "provisional license." Brito himself testified twice in support of the bill, telling the California State Senate that while it was not perfect, "it's also the best bill we've seen from any state."

And yet the Senate was where the bill eventually stalled for good, after passing the Assembly. But at least the copy-and-paste California BitLicense was dead, the outbreak of that lethal bureaucratic virus contained to New York. No big victory, but no loss either. A crisis averted by split decision. "We pride ourselves," says Brito, glancing at his colleagues, "on punching above our weight."

Getting in the Game

Bitcoin advocates' early overtures to Washington took the form not of fisticuffs but of a charm offensive. As they tell it, they had no partisan agenda, only the desire to educate and inform. They carried a simple message: that the potential benefits of bitcoin outweighed the risks. In mid-2013, this message was radical enough. The Dread Pirate Roberts, as yet unmasked, was still captaining Silk Road as something like a combination drug lord and libertarian philosopher-king, while the entire bitcoin network, the supposed foundation of a whole alternative economy, was running, as one developer later put it, "on top of software that had fewer full-time developers than Google's April Fool jokes."

"There's no friendship in politics. There's no, like, 'Oh, because this person has been good to me for a long time, I'm going to do what they want.' It's 'What do I need them for in the future?' Or 'How can they help me or hurt me?'"

By then, though, one person on Capitol Hill had taken notice of bitcoin: John Collins. He took it to Senator Tom Carper, the Homeland Security Committee chairman, whose reaction— "What the hell *is* this?"—was pretty much what the younger man expected. But he gave Collins the go-ahead to pursue it. And so just imagine the consternation of Carper's fellow senators and representatives as this young aide tries to explain to them what bitcoin is and why it matters, and—"oh, by the way, we have no fucking idea who created this thing. But it's a Japanese name."

Carper starts sending out letters to an alphabet soup of federal agencies, asking them to report back on their bitcoin policies, and by June 2013 the town has gotten it together enough to host a conference at the headquarters of the United States Institute of Peace. It does not look good. The Department of Homeland Security has just seized $5 million belonging to a U.S. subsidiary of Mt. Gox, the ill-fated Tokyo bitcoin exchange, because Mt. Gox not only failed to register as a money transmitter but also, in opening its Wells Fargo business account, claimed that it was "a business not engaged in money services."

But a few hardy souls show up to speak for bitcoin: Patrick Murck, general counsel for the Bitcoin Foundation, a haphazardly run nonprofit that is the closest thing the nascent industry has to an advocacy group; Gavin Andresen, bitcoin's lead developer and formerly Satoshi Nakamoto's right-hand man; and Jerry Brito, a D.C. policy wonk who has already shared his insights with Carper's staff.

The conference is co-organized by the International Centre for Missing and Exploited Children, and sure enough it isn't long before a Justice Department prosecutor compares bitcoin to child pornography. At that, Murck, who comes off initially at least as a mild-mannered, nebbishy sort of guy, flares up. "Bitcoin is nothing like child pornography," he says. "If there was one instance of a child being abused because of bitcoin, that's one too many. I'm a father, I think there's a special place in hell for people who do that." Murck tells everyone that he just wants "to craft a sane regulatory environment."

The June conference is the meeting that launches a thousand meetings. Brito introduces Murck to John Collins, and Murck himself meets a keynote speaker who works at the Financial Crimes Enforcement Network. Their conversation leads to a closed-door meeting in August between regulators and bitcoin advocates, which in turn paves the way for a favorable outcome at the first ever congressional hearing on bitcoin. By now, that is where things are headed, a full-blown Senate hearing in front of the Homeland Security Committee—but first Murck and Brito, along with Marco Santori, who chairs the Bitcoin Foundation's regulatory affairs committee, and Jim Harper, the the director of information policy studies at the Cato Institute (who will later join the Bitcoin Foundation as its global policy counsel), have to have this closed-door meeting in Washington in the awful month of August. They have to somehow win over representatives from the Department of Justice, the FBI, the IRS, the Department of Homeland Security, the Secret Service, and FinCEN.

Murck makes no apologies for dismissing, as he had by now, the crypto-anarchist or anarcho-capitalist credo that one should avoid helping the State at all costs. He saw clearly that if someone did not intervene, the government would do its best to outlaw bitcoin. “You can’t just be on the sidelines and let other people shape the narrative,” he says.

At the June conference, Murck had gotten into a long conversation with Ernie Allen, the president of ICMEC. The two men found “some common ground,” says Murck. They continued to talk as the months went by. So, when the November hearings rolled around—the Senate Banking Committee was holding one too—Allen, who had devoted his life to helping the most vulnerable, went so far as to say he was “enthusiastic about the potential of virtual currencies and the digital economy,” and that “draconian” regulations would do more harm than good. Murck and Brito also testified. Most remarkable of all, the nation bore witness to federal officials solemnly proclaiming the innovative potential of bitcoin. The hearings were held only a few weeks after the feds seized Silk Road and finally arrested its founder, Ross Ulbricht, and yet at the first hearing a Justice Department official affirmed the cryptocurrency’s legitimate uses. “Virtual currencies are not in and of themselves illegal,” she said.

Even Senator Chuck Schumer, who had told the press in 2011 that bitcoin was “an online form of money laundering,” reversed course at the second hearing. “I do not want to shut down or stamp out bitcoin,” he said. The Washington Post called the hearings “lovefests.” And so all of the experts who had been expecting the authorities to come down on bitcoin like the hammer of Thor were surprised, to say the least.

They would have been less surprised had they understood something of Washington, which is an old town, and of the game played there, which is an old game. Its preferred currencies are not bitcoin nor even the U.S. dollar but relationships, favors, influence. The hand on the shoulder, the slap on the back. The right word spoken into the right ear at the right time. People say there is too much money in politics—hell, even John Collins says it—but all that money buys you is a foot in the door, a starter pile of chips. It is up to the player to cash in those chips for the real coin of the realm. “It’s always about face-time and relationships,” says Collins.

Washington relationships are built in special ways, at summits and conferences and fundraisers. They are built during private powwows in offices with oil paintings of past presidents and *National Geographic* world maps on the wall. And they are of a special kind. Bradley Tusk, the entrepreneur and investor who once served as Michael Bloomberg’s campaign manager, lays it out for me: “There’s no friendship in politics. There’s no, like, ‘Oh, because this person has been good to me for a long time, I’m going to do what they want.’ It’s ‘What do I need them for in the future?’ Or ‘How can they help me or hurt me?'”

I ask Murck how much of the positive outcome of the November hearings he attributes to the outreach he and others extended. “One hundred percent,” he says.

‘Adult Human Children’

Not every bitcoiner found Washington a congenial environment. Alex Waters, who had been the chief information officer at BitInstant, a startup which at one point was responsible for handling 30 percent of all bitcoin transactions, started taking meetings on the Hill and found all his fears of corruption "realized and furthered," he says. The nation's capital seemed to be little more than a playground for "adult human children with money and power."

It is remarkable he was able to get so many meetings at all. "Most people on the Hill are pretty good about taking meetings, but there are some members who are very transactional," a former congressional aide tells me. "They won't take a meeting unless you give to their campaign." After several trips, Waters gave up trying to learn about the political process and hightailed it out of town, appalled by the hypocrisy and the "inefficiency of human nature" he saw there.

In 2014, a fierce debate broke out among bitcoiners as to whether they should be playing politics. Anti-government types, displeased with the Bitcoin Foundation's lobbying efforts, thought not. On Reddit, Daniel Krawisz, the director of the grandly named Satoshi Nakamoto Institute, wrote: "Bitcoin's greatest chance of success is by ignoring regulation rather than lobbying against it. The more anarchist Bitcoin is, the more valuable it is to investors. This means that its growth in price should be expected to be more rapid and as a result turns into a bigger, better network that is harder to kill."

Krawisz stands by what he wrote. Why then, I ask, are so many industry leaders today working so hard to be friendly with Washington? His answer is unyielding: "They're not really industry leaders if they do that."

Krawisz's is no longer the consensus view. Murck suggests that lawmakers and regulators should all be seen "as part of the [crypto] community. They might not know it yet, but they're part of the community. And they have an equal voice to everybody else," he says. "So you have to treat them that way."

With the launch of the Blockchain Association, trying to shape the narrative has somehow become a sign of respectability and decency.

Which doesn't mean that these new community members don't need some guidance. That is where Brito and the others come in. Indeed, so badly is Coin Center wanted on that wall, *needed* on that wall, that in May 2018 Jesse Powell, the CEO of Kraken, one of the biggest U.S.-based crypto exchanges—and one of the companies that pulled out of New York because of the BitLicense—donated $1 million to the advocacy group. Moreover, he pledged to match up to $1 million in further donations until the end of the month. By May 31, Coin Center had received a cash infusion of $3.2 million.

Asked what he plans to do with the extra funds, Brito is vague. Some of it will surely be funneled to outside lobbyists. Since late 2014, according to disclosure filings, Coin Center has paid $740,000 in fees to Sternhell Group, a Washington government-relations firm that also represents Citigroup, PricewaterhouseCoopers, and the Center of Innovation for Nanobiotechnology. Some of the money may be used for new hires. And the rest will likely remain as dry powder in case bitcoin should ever face an existential threat.
Asked what such a threat might look like, Brito at first punts on the question. "I don't think you could kill bitcoin," he says. "Even if you outlawed it, it would still exist."

When discomfited by a question, Brito hesitates, fidgets, tugs at a graying lock of hair, but Van Valkenburgh is unflappable. His knees are crossed, his hands clasped calmly. Wearing an NYU School of Law T-shirt, he has the studious air you find in certain scholars, in research scientists, and in desert monks. He ticks off examples of activities that could still be threatened: "Can someone legally run a business that *uses* the bitcoin blockchain? Can they run an exchange? Can they run a payments provider?"

Finally Brito comes up with a nightmare scenario. Just as the FBI and Department of Justice tried to pressure Apple into building a government-friendly backdoor into its messaging system, "you can imagine that some government authority would require that certain information collection be built into the [bitcoin] protocol," he says. "We need to be prepared to have that battle if it comes."

A Town of Relationships

Maybe the first guy to really get in Congress's face about bitcoin was a lawyer named Dan Backer. In January 2014 he formed the first bitcoin-related political action committee, Bit-PAC, and in September of that year—after raising thousands of dollars—he fired off letters to 10 members of Congress, offering them each $250 worth of bitcoin in campaign funds. A paper wallet containing the bitcoin was attached to each letter, which explained the rudiments of what bitcoin is and how to access their coins, suggested a couple of services (Blockchain, Coinbase) that could be used to store and transfer the digital currency, and urged the recipients to keep their wallets secure. And then the master stroke: "If you have any questions regarding accounting and reporting for compliance with federal election law, please contact your FEC analyst."

Dan Backer, founder of Bit-PAC, the first bitcoin-related political action committee

Backer, who today runs a boutique firm specializing in campaign finance and Federal Election Commission compliance, saw right away that bitcoin could be an instrument not only of commerce but also of political speech. The FEC that spring had ruled that it was okay to accept bitcoin donations in amounts of $100 or less—the same as the so-called safe-harbor exemption for accepting cash—but had failed to establish more detailed rules. Backer wanted the commission to come right out and say it was legal to accept larger bitcoin donations too, just as if it were any other thing of value. He was hoping that campaign staff would besiege the FEC with requests for clarity, and that the sheer volume of requests would force the commission's hand.

"Turns out we failed spectacularly," he says. Only one candidate wound up reporting the bitcoin as received and liquidated. Jared Polis of Colorado, who went on to form the Congressional Blockchain Caucus with Mick Mulvaney, a South Carolina Republican, two years later, returned the contribution, says Backer, "because his lawyer is a wuss." Paul Ryan sent back his bitcoin too. Backer was astounded. Who ever heard of a politician saying no to money?

Soon after the stunt, Backer shut down Bit-PAC. Only years later did he find out that most of his contributions had gone unclaimed. By then, he recalls, a single bitcoin was worth in the neighborhood of $14,000. He checked the wallets. The bitcoins were still there. He cashed them out immediately, and found himself with more than $140,000 in funds. He has since restarted Bit-PAC with a focus on long-term policy goals. "I bet [now] they wish they kept their bitcoins," he says.

Backer's firm, Political.law, is located on a street of red-brick office buildings in Alexandria, Virginia, fifteen minutes by car across the river from the Lincoln Memorial. When I arrive, Backer is a ball of energy in a monogrammed French-cuff shirt. He starts rooting around in his desk. “I have something for you,” he says. Finally he comes up with a thick white pen, thrusts it into my face, and unrolls from it a piece of paper on which are printed the federal campaign-finance limits. The paper snaps back into place when he lets go. “This is the most useful pen you could have,” he says. When he gives this pen to members of Congress, they remember him at their next encounter—”the guy with the pen.”

Backer has a way of cutting through the bullshit, distilling delicate matters of human interaction down to their blunt essence. Talking to him is like seeing Washington with its high-definition makeup off. He is about average height, with a blunt head, short dark hair ending in a widow’s peak, and a round flushed face. A visible paunch loops over the waistband of his navy slacks.

On our way to a nearby sushi joint, Backer tells me about himself. He grew up in Tenafly, New Jersey—”a little town nobody’s ever heard of”—before attending college at the University of Massachusetts Amherst. He graduated in 2009 from George Mason University’s Antonin Scalia Law School and later earned a master’s degree in political management from George Washington University. Even now, all these years and all that out-of-state education later, he sounds like a New Jersey native trying not to sound like a New Jersey native. He is a staunch Republican, a so-called conservatarian—”I want the smallest possible government with the strongest possible military”—though he is careful to note that Bit-PAC gave equally in 2014 to members of both parties. He wants to put himself out of business, he says, but isn’t shy about making hay while the sun shines. Before lunch is over he will recommend that I read Ayn Rand.

I am having lunch with him not only to learn more about the old days but to find out just what sort of game blockchain advocates are now mixed up in. Before long he is telling me how to win friends and influence people, Washington-style. While he talks a strange thing is going on. Every so often he sticks out his tongue, jerks his head upwards, and makes a sort of straining gulping motion as if he can’t get enough air. He does this 10 or 15 times a minute. Somehow it doesn’t slow him down at all. It is as if there is a motor inside of him bucking and rattling, going to pieces almost; as if his oxygen supply can’t keep pace with his rapid patter.

Meanwhile he is drowning his sushi in soy sauce and cramming them into his mouth at an unbelievable rate. He takes me up on my offer to share my seaweed salad. “I’m not going to share, I apologize,” he says when his green-tea ice cream arrives. He tucks in and keeps going, giving me the CliffsNotes to a sort of *Happy Warrior’s Guide to Washington Politics*. He talks the way a belt-fed machine gun fires, relentlessly, the words emerging from way back in his throat.

While Collins is of the “blue tsunami” camp, Backer these days is only targeting Republicans with his Bit-PAC donations, betting that they will keep their grip on Congress. Besides, the GOP is where his connections are. “This town,” he says, “is built on relationships more than anything else.”

But what sort of relationships? I want to know. *And how are they formed?*

"Have you ever picked up a girl in a bar? That's exactly what lobbying is," he says. "You're all drinking; it almost always involves alcohol … It's being able to build the relationship, talk about something that the member cares about. Some guys are sports guys—football, golf, basketball. It sucks for me because I'm not a sports guy, so I'm inherently disadvantaged in the lobbying industry. Give me a member of Congress who likes to drink—oh, man, if Denver Riggleman gets elected, I'm going to love that guy. A distiller from Virginia? *Man,* I can talk to him about alcohol."

Backer has polished off his ice cream; there is nothing to distract or deter him now. He is in full flow, the man and the profession are one, like a world-class jockey welded to the back of a Kentucky Derby winner coming down the home stretch.

"Everyone gets a chance to talk, say 'Hi, nice to meet you, I'm Dan. I'm with the Such-and-Such Group; we really care about this blah-blah-blah issue'—and maybe you make an ask. Maybe the ask is, 'Can I sit down with your chief [of staff]'? You never actually tie specific legislative outcomes to campaign finance. It's actually prohibited, 'cause then you're buying votes. So you don't do that. The goal is: you want them to know your face, have a positive association. Maybe you don't take them home from the bar the first night, but maybe the second night, the third night, down the road. It's the long game."

Unforced Errors

Playing the long game presupposes that there will be setbacks along the way. Sometimes the setbacks are out of one's control. Other times they are unforced errors. Alex Waters tells the story of an aborted meeting with Senator Rand Paul. Waters and two friends had trooped down the long marble hallways of the Dirkson Building and were waiting patiently in Paul's office with a few of his staffers. As the minutes ticked by, Waters, who had no idea what the senator looked like, found himself getting increasingly annoyed with this stuffed shirt on the office television. "I'm watching this guy on the TV go on and on about some policy bullshit," says Waters, "and I just say out loud, 'When is this guy going to shut up? This is *so* boring.'" Everybody's head pivots. They can't believe their ears. "Everyone in the room just *looks* at me astounded. And I get a kick from my buddy Matt, and he's like, *'That's Rand!'"*

"Lo and behold, our meeting got 'rescheduled' and he wound up not meeting with me," says Waters. "I met with one of his staffers, who was basically like, 'Yeah, dude, you fucked up. Big time.' It was a five-minute conversation."

But those were the halcyon days when bitcoin leaders could afford to be naive. Now there are two paths. There is the inside path, the relationship-driven approach, says Tusk, in which the right lobbyist makes the right call and smoothes everything out. When Uber, aided by Tusk, was going to war with New York City mayor Bill de Blasio, the company sent its head of government relations, David Plouffe, who had run Obama’s 2008 campaign, to win over Al Sharpton and the New York Times editorial board.

“And then there’s also just saying, ‘Look, what this person fundamentally cares about the most is getting reelected. That’s what matters to them. If they believe that I can either help them get reelected or materially hurt their chance of getting reelected, they’re likely to take me seriously,'” Tusk continues. “It’s about understanding their core need.”

Backer, per usual, is even blunter. “Politicians don’t want to give a shit,” he says. “They just want to take the money.”

All of this not-giving-a-shit is giving billionaires gray hair. “It’s stressful, because the regulatory environment’s not clear,” Mike Novogratz, the ex-hedge funder and founder of a “crypto merchant bank” called Galaxy Digital, told The New Yorker. “You don’t even know what the rules are.” But things could always be worse. While industry observers were saying as early as December 2014 that bitcoin had become “too powerful for regulators to shut it down”—not least because well-connected investors such as Novogratz and Marc Andreessen wouldn’t stand for such wholesale destruction of their portfolios—the possibility remains that the feds might pull something that would drive most crypto activity underground or overseas. That might not faze crypto-anarchists like Krawisz, but for Novogratz and other highly public, Forbes-listed friends of bitcoin, it would be a big problem.

For the title of congressman least friendly to crypto, it is a running competition between Brad Sherman, a representative from California, and Carolyn Maloney of New York. Sherman has proven himself to be a serious troll. In March, during a House Financial Services subcommittee hearing, he called cryptocurrencies a “crock” with no social benefit, a rigged game that allows “a few dozen men in my district to sit in their pajamas all day and tell their wives they’re going to be millionaires.” (Never mind the apparent contradiction between dismissing cryptocurrencies and sounding the alarm about their potential to undercut the U.S. dollar and weaken the Federal Reserve, as he did in March.) At another subcommittee hearing, in July, the California Democrat called for a nationwide prohibition on buying and mining cryptocurrencies.

Maloney, according to insiders, is not beyond saving. She is rightly concerned that average Americans could be hurt by initial coin offering scams. The problem, advocates say, is that she conflates ICOs—risky investments at the best of times—with bitcoin, and has said on several occasions that she is working on a bill which would treat *all* digital assets as securities. This makes no sense, because bitcoin, which has no issuer, is more like gold than a stock. Indeed, the Commodity Futures Trading Commission has already declared it a commodity. Coin Center and others have talked to Maloney’s staff, and are trying to get some of her constituents in Manhattan to lobby on their behalf. “I think that we can convert her and make her a champion,” says Kristin Smith, a 10-year Hill veteran who now works for a blockchain trade association.

Much of lobbying is about playing defense. Swatting down bad bills when they pop up is a hell of a lot easier than trying to pass good legislation, and it has the added benefit of not expanding the administrative state. Writing new laws for something like bitcoin is also risky, because it involves trying to codify in the language of today a technology or an industry that might look radically different tomorrow. Even so, when a real chance comes to pass a good bill—or even a halfway decent bill—you take it.

The Clean Room

I am on the sixth floor of a twelve-story building on K Street, talking tactics with Amy Davine Kim, the top lawyer for the Chamber of Digital Commerce. K Street is the storied home of D.C. lobbying firms. A flatscreen in the gleaming marble lobby scrolls infinitely through a list of the building's occupants: the Bank of Korea, Haug Partners, Sonenthal & Overall, the International Bar Association, the Association for Women in Science, and Kim's employer, a blockchain trade association that now boasts more than 200 members.

If Backer comes off as a sort of street-level political id, then Kim, the Chamber's chief policy officer, is a self-possessed superego. I find her perched at a conference table with an Edelman public relations woman, waiting for me. Everything is glacier white—the walls, the conference table, the leather-backed chairs—as if I have just stepped into one of those sterile clean rooms where, in Hollywood blockbusters, deadly viruses are cooked up or radical surgery is performed. Kim, too, is dressed all in white. Against the arctic air conditioning she has wrapped herself in a snow-white Alice + Olivia coat. Her posture within the folds of the coat is very straight. Her background is in cross-border compliance—anti-money laundering, sanctions, terrorist financing, that sort of thing—and her blue eyes radiate a quiet competence.

She is telling me about the Chamber's work with Tom Emmer, a congressman from Minnesota, and about a little coup they pulled off together. According to Kim, there are 20 bills currently pending in Congress that call for the Government Accountability Office or some other agency to study how cryptocurrencies might be used to launder money, fund terrorism, and carry out other illicit activity. One such bill, introduced to the House Financial Services Committee by Juan Vargas of California, was 100-percent negative. It could only make crypto look bad. While Kim concedes the validity of doing such a study—"We can't be afraid of that information; we have to understand it in order to understand what risks we're facing"—she needed to give the bill some positive ballast.

Enter Emmer. Ever since his deputy legislative director handed him a copy of *The Age of Cryptocurrency* in late 2017, the Minnesota Republican has been one of crypto's staunchest allies on the Hill. Emmer is part of the Congressional Blockchain Caucus, and in April 2018 he tweeted, "Blockchain represents the very best of America: confidence, leadership, entrepreneurship & innovation. For government to stand in the way would be a shame." After talking with the Chamber, Emmer introduced an amendment to the Vargas bill that would require the study also to consider "how blockchain can be used to *battle* crime," Kim says.

By such small measures does the campaign proceed. In June, the House unanimously passed the amended bill, and, according to Kim, a corollary of it, including Emmer's amendment, is now making its way through the Senate. Emmer "was instrumental," says Kim. "Even though this is still a new and growing industry, it has evolved, and so you're seeing Congress evolve with that."

In September 2016, after two years of talks with Coin Center, representatives Mick Mulvaney and Jared Polis formed a bipartisan group called the Congressional Blockchain Caucus. Now co-chaired by Polis and David Schweikert, a Republican from Arizona, the Caucus aims to encourage lawmakers to pass thoughtful regulations that won't smother the nascent industry. It has grown from 11 to 18 members in the past six months.

Underlying the careful diplomacy is an urgent concern. If government "stands in the way" of the Next Big Thing, Kim and other lobbyists argue, this wave of innovation could pass America by and break instead upon the shores of the United Kingdom, Singapore, or China. The Chamber has hired law firms to see what can be done to reform the IRS's unfavorable treatment of bitcoin, and is talking to the conservative Heritage Foundation, which published a paper in September 2017 arguing that Congress should remove legal barriers which "obstruct the use and development" of alternative currencies, such as bitcoin, that could compete effectively with the U.S. dollar. "In my view," says Kim, "it's undeniable that this [technology] is here to stay."

She places her hands on the table, fingertips together, and advances them toward me, like the inexorable march of history itself. "The U.S. can be a leader. We aren't past the point of no return."

'One of Our Own'

For a brief time earlier this year, the blockchain industry thought that it would have its own man in Washington. Brian Forde was a former U.S. Peace Corps volunteer, a senior advisor on technology in the Obama White House, and, most crucially, the director of MIT Media Lab's Digital Currency Initiative. He was running as a Democrat for California's 45th District, a seat held by Republican Mimi Walters. Maybe he never intended to star in a sort of real-life movie called *Mr. Bitcoin Goes to Washington*, but once he announced his candidacy, bitcoin came up early and often. Nicholas Negroponte, the co-founder of the MIT Media Lab, and Matt Roszak, the co-founder of Bloq, told Forde they would donate to his campaign on one condition: that he accept cryptocurrency.

Crypto's biggest political problem, says Backer, is that most Americans "don't give two shits" about it.

So he opened the floodgates. The crypto community, thrilled to have at last the chance to support a true believer's run for office, poured into the Forde campaign's Coinbase account about $300,000 in bitcoin and ether—far, far more than had ever been raised in digital currency by all other candidates combined. In February, Bloomberg Businessweek dubbed Forde "the crypto candidate for Congress." By then, Cameron and Tyler Winklevoss, Wences Casares of Xapo, Brad Burnham of Union Square Ventures, Pete Briger of Fortress Investment Group, and Netflix CEO Reed Hastings had each donated $2,700 to Forde's campaign, the maximum contribution allowed under federal law.

Fred Wilson, who as a partner at Union Square Ventures had led Coinbase's $5 million Series A round in 2013, made no bones abouthis reason for donating. "It would benefit the crypto sector to have one of our own in Congress," he said. *One of our own.* Yes! The gap between private industry and government could not be bridged, but if you could parachute one of your own behind enemy lines … to educate and arm the locals, convert them to the cause … Forde was the man for the job. He wanted to be on "the right side of history." He believed cryptocurrency would one day be as important as the internet. His campaign wound up raising $1.6 million, an eye-popping sum for a first-time candidate.

But in June, when the primary ballots were cast, Forde came in fourth, with only six percent of the vote. He knew who to blame for the crushing defeat, at least in part. His opponent Dave Min, another also-ran, who had raised $500,000 less but came in third, with 17.8 percent of the vote, had aired a vicious attack ad accusing Forde of taking money from "Bitcoin speculators that oppose cracking down on drug deals and human trafficking."

Talk about brutal. The average man on the street might not know bitcoin from BitTorrent, he might not *care* to know. But he damn sure cares about illicit drugs and human trafficking. For the crypto community, it was a bitter lesson: their support could hurt as well as help a candidate. The groundswell of support at the voting booth simply was not there. Crypto's biggest political problem, says Backer, is that most Americans "don't give two shits" about it.

"Let me tell you something about winning elections," he says. "It's great that Brian loves and cares deeply about crypto, but nobody gives a shit. The biggest mistake—the biggest act of egotism—[is when] politicians think people care about what the politicians think. They don't. Voters care about what they care about, and they're going to elect the representative who best reflects them. If you're running in Silicon Valley, maybe crypto is a big enough deal. *Maybe.* But running on crypto is not an electoral strategy. If you're a crypto champion, that community nationally will rally around you, and can support you financially and help you get elected—but you're running a race for your constituents, not for your policy issues. I feel bad for the guy. The problem is, when you're going to stand for something, you get the good and you get the bad."

Forde dealt with the loss by going on his honeymoon. Asked whether he now regrets aligning himself with bitcoin proponents, he will say only, "I believe we should be deeply concerned about political candidates, like my opponent, who sacrifice their morals and values by publicly lying to the community they seek to represent."

Tusk, ever the realist, has little sympathy for this high dudgeon, this morally superior desire to treat an American political contest as if it were a match played in pressed whites at Wimbledon, where players can challenge a line judge's unfair calls. "That's the game," he says. "My brother-in-law is a member of Congress, and my sister was complaining in the last race, which was his first race, that their family was being unfairly attacked. I was like, 'He *chose*to run for the seat! He's challenging the incumbent. What did you expect? No one begged you guys to do this.'"

All the same, Forde's loss was a blow for the industry. He wanted cryptocurrency companies to find a home in the United States. He championed the idea of "regulatory sandboxes" wherein tech entrepreneurs could play around with new technologies, safely shielded from the draconian rules put in place to keep Ma and Pa Yokel from losing their shirts. "He was the candidate that I was most excited about this year," says Tusk, who advised the campaign, spoke at a Forde fundraiser, and donated $2,700 to the election effort. "I hope he runs again, to be honest."

Need and More Need

The industry is not waiting for Forde to make a second attempt. By the time his candidacy flamed out, bigger things were in motion.

Things began to heat up in July, when news broke that Coinbase had formed its own PAC with the express purpose of helping to elect candidates who shared the company's interests. There is nothing unusual about employee-sponsored PACs like Coinbase's—they are common in many industries, both in Silicon Valley and elsewhere. But that is precisely it: they are prevalent in mature industries, not among startups. Then again, Coinbase seems to be trying to break some kind of sound barrier for startup growth. It has more than 500 employees already and plans to add another 150 or so to its brand-new New York hub alone by the middle of 2019. Never mind early reports that the company's strategy for the PAC is unfocused. As an unnamed spokesperson told Politico, Coinbase firmly believes it has "a role to play in shaping policy and laws that protect consumers and also make sure that innovation is allowed to continue."

"I had a client once tell me, as I explained this process to him, 'Dan, that sounds pretty whorish.' And I was like, 'Well, buddy, in this situation who do you want to be—the whore or the john?"

The numbers bear that out. Coinbase spent $80,000 on lobbying in 2017 and has already spent another $70,000 this year, according to Open Secrets, with the money going to Franklin Square Group, a D.C. firm that represents tech giants such as Apple, Google, and Salesforce. The PAC, as Coinbase's chief legal and risk officer, Mike Lempres, puts it, is merely "one of many tools we may use to foster a favorable future for cryptocurrency."

Maybe the biggest tool is a new lobbying group, the Blockchain Association. Coinbase and other heavy hitters—Circle, Digital Currency Group, Polychain Capital—have banded together to form a trade association which, unlike the broad-tent Chamber of Digital Commerce, whose members include big software companies and traditional finance players like TD Bank and Wells Fargo, will focus exclusively on promoting open, decentralized blockchains. Launched in September, the Blockchain Association's dues-paying members also include Blockstack and privacy coin Zcash. Lempres will serve as president.

Compared to other advocacy groups, “this will be a level larger than what we’ve seen,” says Kristin Smith, the group’s director of external affairs. “I don’t think we’re going to be quite as big as the NRA this year”—she laughs—”but we’re going to be able to have a pretty significant voice.”

On a recent Wednesday, Smith, who had worked her way up over the course of 10 years on the Hill from intern to deputy chief of staff for Denny Rehberg, then a representative from Montana, was already maxed out, fielding calls from reporters, vetting potential new members, laying plans for new hires, and pinpointing issues to tackle in 2018 and beyond. Merely finding time to shower that day had felt like an accomplishment. She had left her old lobbying and policy job at the law firm Thompson Coburn only the Friday before. When asked if she is “one of those revolving-door folks,” Smith, who has represented Overstock on blockchain issues, happily answers in the affirmative.

Smith’s peers continue to beat a path to Capitol Hill to beard congressmen in their dens, attend networking events, and offer their testimony at a seemingly endless series of congressional hearings and roundtable discussions. Lempres and Marco Santori both plan to attend a regulatory roundtable organized by freshman representative Warren Davidson on Sept. 25. The subject is how best to regulate ICOs. Coin Center will be there, as will the chairman of a Chamber of Digital Commerce working group, the Token Alliance. As will exchanges both digital and traditional (Kraken, Nasdaq, CME Group, the parent company of the New York Stock Exchange) and powerhouse VC firms Andreessen Horowitz and Union Square Ventures. As ever, the technologists will come with their vision and the entrepreneurs with their ambition and the lawyers with their caution, and the politicians will understand or not understand, promises made will be kept or not kept, relationships will be cemented or dissolved. And somewhere, sometime, money will change hands—because that is the game, because money is how one group keeps score and how the other group stays in a position to determine who is permitted to score at all. “By and large, what drove the system was not the flow of ideas and public policy,” Tusk writes in his book *The Fixer: Saving Startups From Death by Politics*. “Just need, need, and more need.”

Says Backer, “I had a client once tell me, as I explained this process to him, ‘Dan, that sounds pretty whorish.’ And I was like, ‘Well, buddy, in this situation who do you want to be—the whore or the john?”

‘Part of the Process’

There is a chance that all of this glad-handing and cozying-up could backfire. Tusk recalls how, in Uber’s early days, he weaponized the startup’s user base to defeat the D.C. city council’s plan to ban Uber, unleashing 50,000 constituent emails and 37,000 tweets in three days—the grassroots equivalent of firebombing. Often, “you’re better off preserving the moral high ground and being able to effectively accuse the other side of corruption and pay-to-play than you are making donations,” he says. “If you just imitate the other side, then it’s like, okay, this guy has twenty guns; you have two guns. Who’s going to win?”

"I try to read every bill that comes through this office," the congressman said. "I think a lot of my associates don't, because they're not *able* to read."

But Coinbase may be the exception. Having raised $217 million from a who’s who of investors—including Tusk himself—the startup is so outrageously well-funded that it may be able to create its own reality. (Tusk says he has not spoken with Coinbase about its PAC.) That desired reality includes adding new digital tokens, perhaps dozens of them, to Coinbase’s exchange platform.

Small wonder that Smith’s agenda starts with tackling uncertainty around which digital tokens are and which are not securities. True, the SEC has given some guidance, declaring that neither bitcoin nor ether are securities. But it would be good to know, for instance, just when a token that may once have met the definition of a security, like ether, no longer does.

The SEC can only do so much. Congress, says Smith, “has much bigger tools to come in and help facilitate an environment that is going to be better for the space.” And so the spotlight turns to Warren Davidson, the freshman from Ohio, who has telegraphed his desire to sponsor a bill promoting “light-touch” regulation of ICOs. Smith and other advocates say the chances are good that the bill will be introduced sometime this year—though it certainly won’t become law by the end of 2018.

How digital currencies are taxed is another issue in the association’s gunsights. In 2014, the IRS ruled that they should be classed as property, requiring holders to record capital gains tax every time they buy so much as a cup of coffee with bitcoin. Had you wanted to stymie the mass adoption of cryptocurrencies as a new kind of money, you could hardly have done better than to make that rule. Since the IRS is likely powerless to rule in any other fashion, “a legislative solution” is required, says Kim. Under the policy she envisions, “you would still pay sales tax, but you shouldn’t have to pay two taxes on a purchase.” All three blockchain lobbying groups are in lockstep on this issue, and the Blockchain Association is planning to deploy outside consultants and policy experts to do some of the “shoe-leather lobbying” required to get Congress’s attention.

“That would be a significant win, if we could find a way to alleviate that [tax burden],” Kim says. She has the funds to do it. The Chamber’s gross receipts jumped to $832,859 in 2016, from $313,602 the year before, and are surely a greater sum now.

The sticking point, as with Collins’s poor unnamed official, is ignorance. Alex Waters tells me about a meeting he had a few years ago with a congressman on the House Financial Services Committee. “I try to read every bill that comes through this office,” the congressman said. “I think a lot of my associates don’t, because they’re not *able* to read.”

The Blockchain Association is planning to do whatever it takes to educate officials who need educating. You get the feeling it would open up a learning annex on the Hill if it had to, with classes in public-key cryptography and distributed ledgers and monetary theory offered around the clock. Anything to spoon-feed these complicated issues to legislators in a form they can digest. Advocates have learned from internet companies, which did not have an official trade association until 2012. “The blockchain industry has realized, earlier than most industries, that they want to be a part of the process,” says Smith.

If so, embracing the process means abandoning the rebel philosophy that fueled much of bitcoin’s early rise. In a recent interview, Peter Thiel, the billionaire entrepreneur and investor, described his early days at PayPal as “a race between technology and politics. The politicians didn’t like us,” he said, “but if we got the system—the PayPal network—big enough, it would sort of overwhelm the regulators and they’d have to accept it as a fait accompli.” Then again, he had the good fortune to launch his company in the days before the Patriot Act clamped down on payments. “Even three years later, [starting PayPal] might not have been possible,” Thiel said.

Similarly, Uber was able to bull its way through because it “had a massive user base, and they were solving a real problem,” says John Collins, who now runs FS Vector, a fintech consulting firm, with two partners, one of whom is a former deputy director of the Consumer Financial Protection Bureau. “Crypto hasn’t gotten to that point yet, but I think it will happen soon.”

Big Bitcoin

Power rarely announces itself all at once. Instead it grows unnoticed and in secret, accretes slowly, like interest, bides its time, sheltering in the shadow of a greater power, husbands its resources until the time comes to make a big withdrawal. It plays the game close to the vest and keeps its own counsel. Sometimes it comes on little cat feet, and then before you know it, there is a new heavyweight in town. In *The Fixer*, Tusk writes, “One upside of being an upstart is the entrenched interests never see you coming.”

"These things are won in the marketplace. Now there is a marketplace for government as well as one for business."

For bitcoin companies, the jig is up: you can’t play the part of the underdog while forming lobbying groups and funding political campaigns. And yet, even as Big Bitcoin presents itself to Washington as a means for creating “an open financial system for the world”—the language is Coinbase’s—the industry will have to master the art of managing expectations. Already, too many hype men have pitched blockchain to lawmakers as a magical panacea. Now, feeling they have been lied to, “there is a whole raft of people in D.C. who are deeply cynical,” says Patrick Murck, “because they’ve been oversold all this nonsense by people who have a very large media profile but very little substance.”

Yet however cynical some members of Congress may be in private, geopolitical factors could give them pause. Billionaire venture capitalist Tim Draper, who once bought millions of dollars worth of cryptocurrency directly from the federal government, when the U.S. Marshals auctioned off a hoard of bitcoins seized from Silk Road, sees the competitive pressures of a globalized world as working in crypto’s favor. “These things are won in the marketplace. Now there is a marketplace for government as well as one for business," he tells me. "I think companies should remind Washington, Beijing, Seoul, London, Paris, and all the other governments of the world that they need to provide good service to citizens and businesses, and open themselves up to new forms of technology—including currencies."

And remind them they shall. Even as American voters and the media contemplate, with greater or lesser degrees of fear and longing, the prospect of a Democratic takeover of Congress, Jerry Brito is sanguine. Coin Center has managed to keep crypto from becoming a partisan issue. Bitcoin never sleeps—and while the attention-deficit-disordered masses remain fixated on the ephemeral scandals of our world-hysterical moment, immense instrumentalities are being cocked and aimed at Capitol Hill and the poobahs of the regulatory state.

Murck, like many other bitcoin pioneers, has taken a back seat to the proceedings. Yet his argument—that proponents of blockchain can't afford to sit on the sidelines and let other people shape the narrative—lives on. With the launch of the Blockchain Association, trying to shape the narrative has somehow become a sign of respectability and decency. Lempres recently described the association as "an effort to get the preeminent companies in the space together so [policymakers] know they're hearing from companies that welcome regulation when it's appropriate." By this telling, it is only those who refuse to join hands with Washington that are suspect.

Yet the shaping of the narrative—even when done in a pressed suit, in a polo shirt and boat shoes, or in a snow-white Alice + Olivia coat—is now, as it has always been, a down-and-dirty profession. Purity of intention and delicacy of feeling are luxuries one can't afford in this old, old game. But now, for the good of blockchain, for the sake of the future of finance, someone has to play it.