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Bitcoin Foundation to Ramp Up Lobbying Efforts

Trade Group's Move Comes as Governments Scrutinize Virtual Currency

By Robin Sidel
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Bitcoin advocates are pumping up efforts to reach out to governments that are scrutinizing the fledgling virtual currency.

The Bitcoin Foundation hired a former official from the Cato Institute to help it navigate the world of government regulation that increasingly is closing in on the digital currency. Michael Casey discusses on MoneyBeat.

The Bitcoin Foundation, a trade group, on Tuesday said that it has hired Jim Harper, an official at the Cato Institute, a libertarian policy organization, to "identify political impediments to bitcoin adoption, and build confidence in bitcoin among governments around the world."

The move to hire a lobbyist comes as governments are tussling with a number of issues related to bitcoin, ranging from how it should be regulated to whether it should be taxed. Russia and China have clamped down on bitcoin in recent months, while other countries continue to assess its role and effect on their citizens and businesses.

Bitcoin is big news, but if you don't own the currency why should you care? From coding to crime, governments, banks and the end of money, the Wall Street Journal's Simon Constable explains.

In the U.S., the New York Department of Financial Services recently held two days of public hearings into virtual currencies as it prepares to issue a regulatory framework later this year.

The five-year-old electronic currency has attracted a significant amount of attention in the past year, sending its price to more than \$600 from \$40 a year ago. Venture capitalists are pouring money into bitcoin-related companies, and a number of mainstream merchants are accepting it for payment.

One bitcoin was valued at \$617.09, down 1.4%, on the CoinDesk price index on Tuesday.

But the growth is also causing problems that are sparking concern among regulators and law-enforcement agencies. Among them: last month's collapse of Mt. Gox, a Tokyo-based trading exchange that last year handled the bulk of bitcoin trading. The defunct exchange has filed for bankruptcy protection in Japan and the U.S.

Global governments also have expressed concern about bitcoin being used as payment for illegal activities.

Mr. Harper, who has been director of information policy studies for the Cato Institute since 2004, also has worked as counsel to committees in the U.S. House and Senate. In addition, he was a government-relations counsel to eBay Inc.'s PayPal unit, VeriSign Inc. and other companies.

"I'm excited by the opportunity to help the foundation achieve bitcoin's promise for improving global financial inclusion, strengthening financial privacy for law-abiding consumers, increasing liberty and dignity for people the world over, and providing a stable money supply in countries where monetary instability may threaten prosperity and even peace," Mr. Harper said.

Mr. Harper will also become a senior fellow at the Cato Institute, which accepts bitcoin for payment.

The foundation also said it is hiring Amy Weiss, a former White House deputy press secretary under President Bill Clinton and owner of her own public-relations firm, as a consultant to work on the foundation's global communications and media efforts.

The hiring of Mr. Harper will raise the foundation's full-time employee roster to eight. Mr. Harper and Ms. Weiss will receive their pay in bitcoin, the foundation said.