



Florida Blockchain Task Force Meeting

Meeting Date: October 28, 2019

110 Senate Office Building

404 South Monroe Street

Tallahassee, Florida



Agenda

- I. Introduction
- II. Adoption of Minutes
- III. Presentation: Different types of blockchains, both public and private, and different consensus algorithms
- IV. Sector Presentations on current industry, growth and development opportunities
- V. Open Discussion
- VI. Other Business & Public Testimony
- VII. Adjourn

Call to Order

Meeting called to order and welcome at 1:02 p.m. by Chair Ron Brisé

Roll Call

Roll was called at 1:04 p.m. by task force staff

Members present:

Ron Brisé
Charles Ghini
Director Ken Lawson
Woody Pollack
Director Terry Rhodes
Secretary Jonathan Satter
Robin Westcott

I. Introduction at 1:01 p.m.

The Chair speaks to his excitement for the full agenda and for the great presenters from around the world.

II. Adoption of Minutes at 1:03 p.m.

Members were provided the bylaws in advance of the meeting to allow time for review. There is a motion from Secretary Satter to adopt the minutes, and a second by Woody Pollack. The minutes are adopted.

Motion to adopt minutes by Secretary Jonathan Satter, Second by Woody Pollack

Vote: All in favor, 0 opposed, 0 abstained

Resolved: Motion carried

III. **Presentation: Different types of blockchains, both public and private, and different consensus algorithms** at 1:06 p.m.

Task force member **Robin Westcott** provides a presentation on the different types of blockchain and different consensus algorithms. The presentation is focused on providing basic information on blockchain technology, and how it can be used by consumers across the country.

IV. **Sector Presentations**

Dan Blaner – Amazon Web Services at 1:28 p.m.

- Dan delivered a presentation that focused on the importance of trust, different uses of blockchain, challenges with blockchain solutions, and the importance of education in this area.
- Dan discusses different use cases across various industries, such as banking, logistics, payroll and government uses. He also describes the challenges with blockchain solutions, including: setup, scalability, managing the data, and costs of using the technology. Many of these challenges are alleviated by educating

Elizabeth Escobar-Fernandes – Duke Energy at 1:45 p.m.

- Elizabeth presented the pros and cons of blockchain technology and how it is being used in the energy industry. The presentation also focused on how the industry is focusing on consumption levels of energy and how blockchain is utilized in this endeavor. Elizabeth related blockchains capabilities in this area to the energy industry's focus on renewable energy and electric solutions.

Questions after the presentation:

Q1: Robin Westcott asks how the use cases include regulators perspective and how the energy industry is working with the regulators.

Answer: Elizabeth discusses the importance of education and how that will help regulators – who will be more familiar with the technology.

Q2: Chair Ron Brisé discusses the storage potential of blockchain and the tracking capabilities as it relates to solar power and electricity and asks if Elizabeth has seen state commissions studying this.

Answer: Elizabeth mentions the Silicon Valley Power use case – a pilot, that is planning to release a production of scale that other utilities would be able to utilize.

Melanie Cutlan – Accenture Operations at 1:59 p.m.

- Melanie presents on how blockchain technology is being used, governed, and the focus of Accenture: Financial Services Infrastructure, Supply Chain, Digital ID
- Melanie highlights the data sharing goal of corporations, and how blockchain enables data sharing to the extent that both parties are comfortable with. Another highlight is the ability to fight fraud with blockchain by empowering individuals, who are able to consent to use of their data.
- Charles Ghini asks if Melanie sees a future of blockchain connectivity for validation purposes.
- Melanie says that if the information and service provided by the blockchain is quality, others will want to connect.

- Chair Brisé says that CFO spoke about digital identity and asks how close we are to a digital identity.
- Melanie suggests that it is already being used. Melanie says that the waiting is in order to develop and decide what the appropriate uses are.

Matthew Lahey and Paul Hasse – NGA Human Resources at 2:25 p.m.

- Unfortunately, there were connectivity issues to Paul – who was in London at the time. The presentation was difficult to understand because of this, and the Chair moved to attempt this at another time.

Ken Thomas and Chris Estes – Ernst & Young at 2:33 p.m.

- Ken Thomas discusses how blockchain for public finance will positively change how public resources are managed and how services are delivered. Ken introduces Chris, who has a unique perspective as a former CIO for a state government.
- Chris discusses the “ABC’s” of blockchain – accelerate outcomes by focusing on old technology, balance security with risk, and to collaborate across the ecosystem within a chain.
- Ken goes on to suggest applications for blockchain such as: education, allocation of dollars – particularly for disaster response, and for communication between government agencies and entities.

Ockert and Michael Loubser – Core Group at 2:51 p.m.

- Ockert gave a presentation on blockchain technology, its potential, as well as the added value of the Core blockchain network. Accessibility to the network, and the ability to communicate with other networks are keys to the Core blockchain network.
- Ockert discussed the interest of governments and businesses to share data, and how blockchain networks enable this in the safest manner possible.

Rosa Shores and Gabe Higgins – BlockSpaces at 3:12 p.m.

- Rosa gave a presentation that illustrated the history of blockchain in Florida, which began with a focus on bitcoin and has expanded to a sector filled with collaboration. Rosa explained that the technology is growing rapidly and described some of the blockchain startups.
- At 3:19 p.m., Director Lawson asked Rosa what her recommendations would be to help enable blockchain growth.
- Rosa suggested that each industry is at a different technological stage, and that blockchain is entering their markets at different times. Rosa suggested that the best thing that Florida can do to help grow in this space is to educate developers to keep the talent here in the state. In Rosa’s slide, she mentions that “there are now 14 job openings for every 1 blockchain developer” (Source: TechCrunch).
- At 3:22 p.m., Chair Brisé asked what our education system can do to facilitate this effort.
- Rosa suggested that universities across the state, such as University of Florida and Syracuse University have begun to offer classes for blockchain. Rosa also mentioned that because the technology is growing so rapidly, it is difficult to develop a curriculum that will be relevant for the coming years.

* At 3:29 p.m., Chair Brisé pauses the presentation to move to a time specific presentation from Rajesh Kandaswamy, a Chief of Research for Gartner.

Rajesh Kandaswamy – Gartner at 3:31 p.m.

- Rajesh discusses the current state of blockchain use in enterprises, the characteristics of early projects and the lessons from early adopters of blockchain.
- Rajesh shows data that illustrates enterprises from all industries investing in proof of concepts and pilots. He also describes what the purpose of the investments are – such as customer experience and cost efficiency projects.
- The final focus is on the lessons learned from early adopters of blockchain, with findings of blockchain being ready for production, but only for limited use. Rajesh said that some challenges are:
 - o getting all parties to work together,
 - o securing commitment and providing value, and
 - o maturity, reliability, performance and scalability of technology solutions, as well as
 - o skills availability, and
 - o regulators working with innovators in this space to guide them in the right direction.

At 3:56 p.m., Chair Brisé reverts to Rosa Shores, Gabe Higgins and Samuel Armes – who were presenting prior to the Gartner presentation. Chair Brisé asks if the task force is amenable to having Samuel Armes present and then moving to a panel from the Florida based groups.

Samuel Armes – Florida Blockchain Business Association at 3:57 p.m.

- Samuel discusses who is taking the lead in the regulatory space (local, state, or federal governments) as well as the regulatory environment in Florida and other states.
- Sam suggests that there are mixed definitions of blockchain technology and currency, making it difficult for new businesses to move forward in this space. Sam describes other states that have created regulation around blockchain – and the pros and cons of this. He suggests that early regulators, such as New York, have created a landscape that makes it extremely expensive to enter the blockchain technology market and that many companies have fled to other states because of this.

John Cooney – FIS at 4:11 p.m.

- John described FIS' experience with use cases, how FIS was able to take in the vast amount of information on blockchain technology, and how to bring that education to the community. John also discussed FIS' experience with choosing use cases. He suggested to look at sectors that are being invested in already as well as areas with higher amounts of friction to progress. John said that these areas are ones that typically are held back by data exchange and may be good candidates for blockchain innovation. For agencies, John suggested that data sharing between agencies and transparency for consumers may be a good place to start.

Panel begins at 4:18 p.m. – The panel is intended to answer questions from the task force and includes Rosa Shores and Gabe Higgins from BlockSpaces, Samuel Armes from Florida Blockchain Business Association and John Cooney from FIS.

- Q1: Charles Ghini asks what the incentive is for a public blockchain network.

- Gabe Higgins responds, suggesting that parties that are incentivized by the same thing – data, transactions, information – are helped by a collaborative effort that blockchain networks offer.
 - Samuel Armes responds offering up the idea that there are contrasting perspectives on whether the blockchain networks need currency to be decentralized.
 - Task Force member Robin Westcott offers up an answer to Charles' question, suggesting that once a problem is identified, groups should gather together to collaborate and find a solution that benefits all of them.
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- Q2: Charles Ghini follows up with another question – How can we ensure that the benefit of the blockchain network is enough to ensure that funding and maintenance of the network is available?
 - John Cooney responds suggesting that the distinction between public and private blockchains is important, and that if a service or information is provided from the blockchain network, a subscription fee is used to fund the network.
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- Q3: Woody Pollack asks what the worst thing Florida could do to stifle the innovation? Woody also asks what the best thing for the state to do to enable growth?
 - Samuel Armes suggests that the market is growing without any intervention from government. However, clarity would improve the ability to navigate the obstacles that businesses may face.
 - Rosa suggests that a statement from the regulators would be helpful and give confidence to investors in the state.
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- Q4: Director Rhodes said that she is interested in what is being done in Seminole County regarding digital ID and credentials.
 - Samuel Armes is working with Seminole County on this project of creating a digital ID and says that ease of use is the biggest benefit and focus of the project.
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- Q5: Chair Brisé brings up the previously discussed potential barriers to entry and to growth that blockchain faces, such as banking, investing and education. He goes on to ask what other barriers may be in place that could be addressed from a regulatory or legislative change.
 - John Cooney says that merchant acceptance is a current barrier.
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- Q6: Chair Brisé asks for ideas to address the obstacles mentioned above.
 - Samuel Armes says that collaboration is important, as well as rhetoric from regulators speaking to blockchain users' concerns.
 - Rosa Shores suggests that supporting early blockchain adopters is important and would incentivize as well as give support to the future innovators.
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- Q7: Woody Pollack brings up concerns that the industry has not come to an agreement on various definitions in the blockchain space. He asks what the panel thinks about legislators weighing in before the industry has come to a consensus.
 - Gabe Higgins suggests that definitions are rapidly changing, and that the industry needs to come together to agree on structures, definitions, and industry standards.
 - Samuel Armes says that blockchain's definitions should be broad and should not limit the technology as it progresses.

At 4:38 p.m., Chair Brisé concludes the presentation segment of the meeting by discussing interest in future recommendations, thanking the presenters, and leading to open discussion.

V. Open Discussion at 4:38 p.m.

There are no comments from the task force members

VI. Other Business and Public Testimony at 4:39 p.m.

Michael Loubser, from the Core Group, suggests that compliance from the banking industry is difficult, and has been in Europe. He discusses examples of regulation being put into place, without having commercial banks accepting of crypto currency. He also says that blockchain is meant to improve the world's systems, rather than create competition – asserting that many of the technological leaders that are already in place have value to bring to this emerging technology.

VII. Adjournment at 4:42 p.m.