

## DARPI Executive Summary

*The digital asset industry, which includes blockchains, distributed ledgers and the assets and activities represented in those databases, will fundamentally change how our physical and digital worlds interact.*

Digital assets will transform our capabilities with data and inventory management, accounting and audit, and title and collateralization of physical assets.

EY deployed blockchain technology, at enterprise scale, to administer the contracts on Microsoft's Xbox store; this reduced the time to administer their purchasing contracts from 45 days to 6 minutes. That equates to 99.8% increase in efficiency. The overheads for the affected departments were reduced by 40% post deployment. (Brody, 2023)

*Industry adoption makes it clear; digital assets are here to stay.*

The economic development potential is staggering; yet the industry is facing several growing pains.

Digital assets have applications that merge the characteristics of several regulated activities and asset classes. While this allows for unparalleled efficiencies, it also necessitates re-tooling the legacy regulations that are tailored for analog activities.

The U.S.A. is struggling to maintain relevance in this industry due to regulatory ambiguity, inconsistent enforcement actions, and a mass exodus of credible companies moving their operations to more hospitable regions.

Las Vegas and the state of Nevada are uniquely positioned to provide the industry a U.S. base of operations. Nevada has a long history of building sophisticated regulatory regimes to foster high risk activities in the realms of national security, gaming / finance / audit, and desert living (water conservation) to name a few.

- Our policy makers support innovation to diversify our economic development.
- Nevada System of Higher Education (NSHE) has the capability to foster state agency collaboration, Carnegie R1 rated research, and agile workforce development.
- Nevada has immeasurable sustainable energy sources coupled with an ideal climate for data centers and minimal risk of natural disaster.

SWITCH data centers and the Harry Reid Research and Technology Park provide the capacity required to rapidly scale digital economic activity. The digital asset industry has a globally decentralized workforce that requires access to amenities such as international air travel, lodging, and meeting venues.

*Las Vegas is second to none in our capabilities to support the growth of this multi-trillion-dollar industry.*