

Congress of the United States
Washington, DC 20515

December 1, 2022

Susan M. Collins
President & Chief Executive Officer
Federal Reserve Bank of Boston
600 Atlantic Avenue
Boston, MA 02210

Dear President Collins,

We write regarding the Project Hamilton collaboration between the Federal Reserve Bank of Boston and the Digital Currency Initiative at the Massachusetts Institute of Technology to research the hypothetical development of a United States central bank digital currency (CBDC). It was brought to our attention that some firms participating in the collaboration may be planning to use Project Hamilton to research, develop, and scale CBDC products with the intent to then sell those products to commercial banks.

There has been insufficient visibility into the interaction between Project Hamilton and the private sector. To help us best understand the private sector's role in the collaboration, please provide written responses to the following:

1. What firms are or have been involved or engaged with Project Hamilton?
2. On its website, the Project Hamilton "frequently asked questions" section states that the Federal Reserve is engaging with stakeholders in "government, academia, and the private sector to learn about potential use cases, the range of design options, and other considerations." To what extent has Project Hamilton already engaged with private sector firms? Will Phase II of Project Hamilton involve continued engagement with the private sector?
3. Does the Federal Reserve Bank of Boston intend to fund the development of private sector startups interested in designing CBDCs through its Project Hamilton?
4. Is there a risk that firms presently involved with Project Hamilton will be able to exploit a regulatory advantage over competitors?
5. The Cato Institute found that over 65% of the letters in response to the Fed's CBDC discussion paper were concerned about, or opposed to, the idea of a CBDC, citing concerns over financial privacy and financial freedom. How is Project Hamilton addressing these concerns?

It is important that the firms engaging with Project Hamilton do not receive an unfair competitive advantage over current or future competitors. Neither the federal government nor the Federal Reserve Banks should be in the business of picking winners and losers in the private markets.

We appreciate your attention to this important matter. Your response will help provide Congress with a better understanding of Project Hamilton's purpose, design, structure, and mission, and how that promotes the interests of the American public.

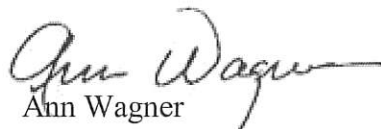
Sincerely,


Tom Emmer
Member of Congress


Patrick McHenry
Ranking Member
House Financial Services Committee


Bill Huizenga
Member of Congress


Ted Budd
Member of Congress


Ann Wagner
Member of Congress


Andy Barr
Member of Congress


French Hill
Member of Congress


Anthony Gonzalez
Member of Congress


Warren Davidson
Member of Congress