Food for Thought

THE IMPACTS OF BLOCKCHAIN ON THE SOUTH BAY ECONOMY

By Chris Cagle – Regional Affairs Manager, South Bay Workforce Investment Board

Most people have heard of Bitcoin and maybe even own some cryptocurrency themselves. Few, however, know much about the underlying technology called Blockchain.

Not only is Blockchain the underlying technology behind cryptocurrencies, it also provides solutions for many other applications that are having global impacts. Blockchain is basically software that keeps track of things. Keeping track of information is a primary function of business and because Blockchain can accomplish this in a way that can be transparent, immutable and secure, the technology offers many powerful solutions for business and society.

Recently the South Bay Workforce Investment Board (SBWIB) with Cal State University - Dominguez Hills, did a study of Blockchain and potential impacts on the South Bay Economy. The report outlined many uses of the technology and highlighted several areas that governments could potentially use it, from managing voting records, to accepting tax payments with cryptocurrencies, to emergency management. Blockchain technology has the potential to reduce the cost and increase the accuracy, speed, and safety of recordkeeping at all levels of government, while providing transparency to the public. South Bay governments have the opportunity to be early adopters of this technology and hence benefit, while other regions lag behind.

Some interesting use cases are emerging now that may offer additional advantages to the South Bay region and are worth considering. In Europe for example at Jaguar Land Rover, they are working on a solution that would offer crypto tokens as rewards to drivers who participate in a transportation traffic calming program. Drivers earn cryptocurrency tokens while they drive. Cars are outfitted with a device that monitors their driving habits, it also detects road hazards and provides information about traffic jams, potholes and other details. The data is transmitted to a location where it can be analyzed to provide statistics for transportation planning or used in real time to synchronize signals to improve traffic flow. Drivers earn rewards for participation in the form of crypto tokens that can be redeemed to pay for various things such as toll road expenses, parking fees, car pool lane costs or possibly a train ticket or a bus pass or even to pay for charging fees for their electric vehicle.

It is usually a challenge to get the public at large to cooperate with new traffic calming initiatives and various other things such as telecommuting and ride sharing, but a system providing incentives to participate may produce positive results. Earning tokens and paying for tolls happens automatically and consumers can track their reward earnings and debits with an app on their phone. Using Blockchain to create a crypto token to transfer value in the form of a reward may be one of the more interesting and practical uses of the technology that could be used by local governments and regional agencies.

A system like the above is possible because Blockchain and token technology allow transfers in small micro payments at little to no cost. Cryptocurrencies make this possible. The system above also ties into the idea of Smart Cities and includes the vehicle itself playing a role in the gathering of traffic data. The South Bay Fiber Network (SBFN) project the SBCCOG is developing could provide the infrastructure the system would run on. SBFN aims to ensure the South Bay region has the Broadband infrastructure needed to stay globally competitive and to facilitate Smart-City services.

To ensure the South Bay region remains at the forefront of innovation, it is important that we understand the dynamics of Blockchain and prepare for the future happening now.

To view the SBWIB Blockchain report and find links to information referenced above please visit www.sbwib.org/blockchain

CALENDAR

All meetings are open to the public

August

6 GIS Working Group
12 Transportaton Committee Steering Committee
14 Infrastructure Working Group
22 Board of Directors*

September

3 GIS Working Group
4 Homeless Services Task Force
9 Transportaton Committee Steering Committee
11 Infrastructure Working Group
24 Seniors Services Working Group
26 Board of Directors*
Energy Management Working Group

October

1 GIS Working Group
9 Infrastructure Working Group
10 Legislative Briefing
14 Transportaton Committee Steering Committee
24 Board of Directors*
Energy Management Working Group

Contact Jacki@southbaycities.org for further information.

*For Board meeting location see SBCCOG website: http://soutthbaycities.org/committees (Board of Directors)

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