



# Idaho Blockchain Coalition Stands With Crypto

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## Abstract

Idaho stands at the threshold of a new economic frontier. This paper outlines a practical, policy-first path for the Idaho Blockchain Coalition (IBC) to steward the Pacific Northwest into the era of programmable finance. Building on lessons from Wyoming's Stable Token Commission and the launch of the Frontier Stable Token (FRNT), we propose an Idaho-led pilot that demonstrates real-world utility through *AdPrompt.ai*<sup>1</sup>, an AI-powered advertising platform, and a FRNT-aligned settlement layer. Our aim is to educate, de-risk, and accelerate responsible adoption across business, government, and civil society so the region is not left behind.

## Executive Summary

- **Why now:** Stablecoins and tokenized assets have matured into core financial plumbing. States are moving; Idaho can lead for the Pacific Northwest.
- **What we propose:** A policy sandbox and pilot program that uses a state-aligned stable token (FRNT model) to power practical use cases (e.g., on-chain settlement, tokenized treasuries) with *AdPrompt.ai* as a case study.
- **Public value:** Faster settlement, lower cost of capital, transparent accounting, and new channels for financial inclusion and innovation.
- **Guardrails:** Education, consumer protection, and phased regulatory enablement aligned with federal guidance.
- **Call to action:** Stand up IBC workstreams; coordinate with Wyoming; launch proofs-of-concept within 6–12 months.

Learn more at the Idaho Blockchain Coalition website: <https://idahoblockchain.co>

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<sup>1</sup><https://www.adprompt.ai/>



## 1 Introduction: A Digital Frontier for the Pacific Northwest

Idaho has an opportunity to become a regional leader in digital assets, not by chasing speculation, but by modernizing how value is *recorded, moved, and accounted for*. In practice, that means faster settlement for businesses and government, improved financial transparency, lower reconciliation costs, and programmable workflows that reduce administrative burden.

This paper sets out a pragmatic pathway for the Idaho Blockchain Coalition (IBC) to coordinate education, standards, and pilots that demonstrate **safety, utility, and public benefit**. We explicitly avoid rip-and-replace approaches. Instead, we propose an *additive trust layer* that connects to existing systems (ERPs, payment processors, treasury tools) while proving measurable value.

### Two pillars guide this work:

1. **A proven reference model:** FRNT, Wyoming’s fully reserved, state-administered stable token, as a policy and technical baseline for a programmable dollar.[1, 2]
2. **A real-world pilot:** AdPrompt.ai, an Idaho-based AI application, as a hands-on demonstration of FRNT-aligned settlement, data integrity, and user experience in a mainstream use case (digital advertising) that every small business understands.

## 2 Precedent: Wyoming’s FRNT Model

Wyoming established the Stable Token Commission to design and operate a fully reserved, state-administered stable token (FRNT) with clear public-interest objectives: transparency of reserves, multi-chain interoperability, and returning reserve interest to public benefit funds.[1, 2]

### What Idaho can adapt:

1. **Standards alignment:** Adopt FRNT-compatible messaging, wallet, and attestation standards to avoid one-off integrations.
2. **Scope-limited pilots:** Start with narrowly defined use cases (e.g., small vendor disbursements, fee collections, or grant stipends) to de-risk.
3. **Public reporting:** Publish reserve, usage, and incident reports on a regular cadence to build durable trust.

## 3 Idaho’s Strategic Role

Idaho’s comparative advantage is speed of coordination across government, business, and education stakeholders. The IBC can serve as the convening hub that translates policy into practice and shares what works across the Pacific Northwest.

### 3.1 Education and Policy Alignment

Public understanding and legal clarity are prerequisites for scaled adoption.[3] The IBC should deliver:

- **Plain-language guidance:** One-page explainers for agencies and Small and Medium-sized Enterprises (SMEs) (stablecoins, wallets, keys, tax treatment, records retention).
- **Regulatory sandbox:** A supervised environment with tiered limits (transaction caps, whitelisted assets, approved counterparties) and clear escalation paths. Quarterly public summaries improve transparency and replication.
- **Uniform Commercial Code (UCC) modernization:** Endorse adoption of controllable electronic records provisions to clarify perfection and priority for tokenized assets.
- **Procurement templates:** Model RFP/RFQ clauses that define token-based settlement options, data standards, and vendor controls.
- **Risk playbooks:** Incident response, KYC/AML alignment, sequential-liability considerations, and privacy-by-design checklists.

### 3.2 Why a State-Aligned Stable Token Matters

A state-aligned token (FRNT model) acts as a *trusted, programmable settlement rail* that integrates with existing payment processors and treasury workflows, no new bank accounts required for pilots. [4, 5] It enables:

**Programmable disbursement:** Conditional, milestone-based payments (e.g., grants) that release automatically when criteria are met; immutable audit trails.

**Micro-settlement:** Real-time vendor or creator payouts (e.g., media impressions, gig work, rebates), improving working capital for SMEs.

**Tokenized RWA settlement:** Seamless purchase/redemption of tokenized T-bills or invoices with on-chain dollar parity, supporting safer yield options.

**24/7 operations:** After-hours and cross-border payments without correspondent banking delays, with policy controls preserved.

#### Policy guardrails from Day 1:

- Whitelisted wallets/venues for pilots; transaction and exposure caps; reserve attestations and change-management controls.
- Privacy tiers (public proofs vs. protected payloads) and records-retention guidance aligned to agency rules.

## 4 AdPrompt.ai Pilot: Practical Utility

**AdPrompt.ai** is an Idaho-based AI application that automates the creation and buying of digital marketing assets and advertising for small and mid-sized businesses. As a pilot, it demonstrates how an everyday service can:

1. **Settle in a state-aligned token:** Media spend and publisher payouts execute using a FRNT-compatible rail with immediate, verifiable receipts.
2. **Reduce reconciliation friction:** A shared ledger of impressions and payments shrinks disputes and manual adjustments.
3. **Improve inclusivity:** Micro-budgets and micro-payouts become viable because per-transaction overhead is reduced.

### System design (additive trust layer):

- *No rip-and-replace:* AdPrompt.ai connects via API to existing ad stack components (DSP/SSP) and inserts a verification/settlement layer for audited flows.
- *FRNT-aligned settlement:* Users fund a wallet with a state-aligned token; smart contracts escrow and release funds upon verified delivery.
- *Audit-ready records:* Every payment event is referenced to delivery metadata for line-item traceability (payer, payee, purpose, time).

## 5 Stablecoins, RWAs, and DeFi: A Short Primer

Stablecoins are fully reserved digital tokens designed to hold a stable value (e.g., \$1). They now power a large share of on-chain transactions and global crypto settlement, serving as the *transactional glue* across exchanges, wallets, and tokenized markets.[5]

**Tokenization** converts real-world assets into programmable tokens with instant settlement and transparent ownership. For policy pilots, conservative RWAs like short-term U.S. Treasuries are often used because they are familiar, liquid, and yield-bearing.[4]

**DeFi (decentralized finance)** uses smart contracts to offer lending, liquidity provision, and savings without traditional intermediaries. For policy contexts, the focus is *supervised, curated venues* that emphasize transparency, over-collateralization, and auditable reserves.[6]

### Why this matters for Idaho (in plain terms):

- *Speed:* Near-instant transfers and programmable payouts reduce administrative overhead.
- *Transparency:* Shared ledgers shrink disputes and enable better auditing.
- *Inclusion:* Lower minimums and micro-payments let small actors participate on equal footing.
- *Safety via design:* Start within a sandbox; use whitelists, limits, and attestations; scale with evidence.

## Illustrative Chart: Growth in Stablecoins and Tokenized Treasuries

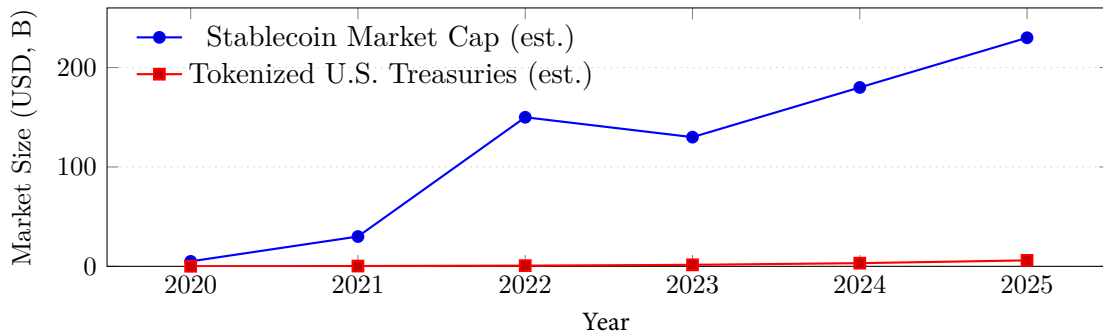


Figure 1: Illustrative growth trajectories (2019–2025). Values are approximate and for education only; see References for sources.

## 6 Regional Leadership Roadmap

1. **Education & Outreach:** Glossaries, workshops, and guidance for agencies and small businesses.
2. **Regulatory Sandbox:** Safe harbors for supervised pilots (payments, tokenized treasuries, procure-to-pay).
3. **Standards & Interoperability:** Coordinate with Wyoming on FRNT-compatible rails and auditing norms.
4. **Public Finance Pilots:** Limited-scope acceptance of a state-aligned token for selected fees or grants.

## 7 Risks & Safeguards

- **Consumer Protection:** Clear disclosures, complaint handling, and education reduce misuse.
- **Operational Risk:** Phased pilots; third-party audits; incident response plans.
- **Financial Integrity:** KYC/AML-aligned rails; attention to sequential liability and payment risk in supply chains.
- **Privacy:** Adopt privacy-by-design and differential transparency for public vs. internal data.

## 8 Conclusion

Idaho can lead the Pacific Northwest into a programmable finance era by pairing a cautious, education-first policy approach with targeted pilots that demonstrate tangible public value. Coordinating with Wyoming on FRNT-aligned standards and showcasing a real application through AdPrompt.ai offers a credible, low-regret path to regional leadership.

## **Glossary of Terms**

### **Stablecoin**

A fully reserved digital token pegged to a fiat currency (e.g., USD) to maintain price stability. It functions as a programmable, transparent, and instantly transferable alternative to traditional bank settlements.

### **FRNT**

Wyoming’s state-administered stable token model (“Frontier Stable Token”). Fully backed by U.S. Treasuries and cash reserves, FRNT serves as a public, policy-compliant blueprint for state-aligned digital currencies.

### **Tokenization**

The process of converting real-world assets—such as invoices, real estate, or U.S. Treasuries—into digital tokens that can be owned, transferred, or settled on a blockchain with full traceability.

### **RWA (Real-World Assets)**

Physical or traditional financial assets represented on-chain (e.g., short-term U.S. Treasuries, private credit instruments, real estate shares). RWAs bridge traditional finance and digital markets.

### **DeFi (Decentralized Finance)**

Blockchain-based financial systems that operate without intermediaries, allowing peer-to-peer services such as lending, trading, or staking via smart contracts.

### **IBC (Idaho Blockchain Coalition)**

A public-private body coordinating education, regulatory guidance, and pilot programs to promote safe and useful blockchain adoption across the Pacific Northwest.

### **SMEs (Small and Medium-sized Enterprises)**

Independent businesses that form the backbone of local economies. SMEs often face cash-flow constraints due to delayed settlements, making them prime beneficiaries of faster, transparent blockchain-based payments.

### **UCC (Uniform Commercial Code)**

A standardized legal framework adopted across U.S. states governing commercial transactions. Its updated Article 12 introduces “Controllable Electronic Records,” giving legal recognition to digital assets and tokenized property.

### **RFP/RFQ (Request for Proposal / Request for Quotation)**

Standard procurement methods used by governments and corporations to source vendors. Model

clauses can define how token-based settlement, auditability, and data standards are included in future contracts.

**KYC/AML (Know Your Customer / Anti-Money Laundering)**

Regulatory frameworks ensuring identity verification and the prevention of illicit financial activity. FRNT-aligned systems implement KYC/AML-compliant payment rails to maintain trust, ensure traceability, and protect consumers.

**T-bills (U.S. Treasury Bills)**

Short-term debt obligations issued by the U.S. government, typically maturing in under one year. Considered risk-free and often used as reserve assets backing stablecoins or tokenized financial products.

## References

- [1] *Wyoming Stable Token Commission*. <https://stabletoken.wyo.gov/>. Accessed 2025-10-11.
- [2] “Wyoming launches the Frontier Stable Token”. In: *StateScoop* (2025). Accessed 2025-10-11. url: <https://statescoop.com/wyoming-stablecoin-frontier-stable-token/>.
- [3] *Tokenization: A Strategic Opportunity (Idaho Department of Finance ETAC Paper)*. . Idaho Emerging Technology Advisory Committee (ETAC) whitepaper. 2025.
- [4] *Tokenized Treasuries surge past \$5B in 2025*. <https://cryptoslate.com>. Accessed 2025-10-11.
- [5] *State of Stablecoins 2025*. <https://www.ambergroup.io/blog/state-of-stablecoins-2025>. Accessed 2025-10-11.
- [6] *Making Stablecoins Sustainable: Unlocking On-Chain Yield*. <https://gauntlet.network/research>. Accessed 2025-10-11.