

**NOMINATION HEARING:
ROSTIN BENHAM, OF NEW JERSEY,
BRIAN D. QUINTENZ, OF OHIO, AND
DAWN DEBERRY STUMP, OF TEXAS,
TO BE A COMMISSIONER OF THE
COMMODITY FUTURES TRADING COMMISSION**

**HEARING
BEFORE THE
COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY
UNITED STATES SENATE**

ONE HUNDRED FIFTEENTH CONGRESS

FIRST SESSION

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JULY 27, 2017
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Thursday, July 27, 2017**

UNITED STATES SENATE,
COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY,
Washington, DC

The Committee met, pursuant to notice, at 9:30 a.m., in Room 328A, Russell Senate Office Building, Hon. Pat Roberts, Chairman of the Committee, presiding.

Present or submitting a statement: Roberts, Boozman, Ernst, Thune, Daines, Perdue, Stabenow, Brown, Klobuchar, Bennet, Gillibrand, Donnelly, Heitkamp, and Casey.

STATEMENT OF HON. PAT ROBERTS, U.S. SENATOR FROM THE STATE OF KANSAS, CHAIRMAN, U.S. COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Chairman ROBERTS. I call this hearing of the Senate Agriculture, Nutrition, and Forestry Committee to order.

I thank the distinguished Ranking Member for being here.

We have two. Senator Ernst, Senator Heitkamp, thank you for coming.

I have six grandkids. If Nina—if you want to bring her up here, we will be—

[Laughter.]

Chairman ROBERTS. —happy to try to do that.

Senator STABENOW. I think we can handle that.

Chairman ROBERTS. I welcome my colleagues as we consider the nominations of Mr. Russ Behnam, no stranger to this Committee; Mr. Brian Quintenz; and Ms. Dawn DeBerry Stump to serve as Commissioners of the U.S. Commodity Futures Trading Commission.

Senator Stabenow, this is a little unique that we are trying to move three—

Senator STABENOW. Yes, yes.

Chairman ROBERTS. —of our Commissioners, and hopefully down the road, we can get a full Commission for the first time in—I do not know how many years.

It was a pleasure to meet all of—with you all earlier this week, and I thank you for appearing before the Committee today. I recognize you all have close family and friends in the audience today.

Let me welcome all of those guests and everyone here to the Committee.

As I have noted in previous hearings regarding the CFTC, this agency is charged with fostering open, transparent, competitive, and financially sound markets, while working to prevent systemic risk. Further, the Commission is tasked with protecting market users and their funds, consumers, and the public from fraud and manipulation and abusive practices related to derivatives and other products that are subject to the Commodity Exchange Act.

The regulation and oversight provided by the CFTC allows end users, such as farmers, ranchers, commercial companies, municipalities, energy companies, pension funds, and others to hedge commercial risk by and through the derivatives market. These markets allow companies to generate jobs and produce goods and services for our economy.

I have said it before and I will say—and I will continue to say it again and again. It was not the farmer, not the rancher or the rural cooperatives or the electric utilities or other end users who contributed to the financial crisis of 2008, yet oftentimes these folks are the ones shouldering the heaviest burden when regulators decide what rules to impose.

A few weeks ago, we heard from Acting Chairman Giancarlo about his vision for the CFTC, and I was encouraged by his passion for the work of the agency and his plans going forward.

Today we will hear from three other nominees who I believe also have a proper appreciation of the turmoil of the 2008 financial crisis and what that crisis imposed and the comprehensive congressional response which followed.

Mr. Quintenz was working in the financial industry at the time. Ms. Stump helped craft Title VII of Dodd-Frank, and Mr. Behnam has been assisting this Committee in overseeing its implementation for the past 6 years.

Discussions with the nominees have shed light not only on their policy positions regarding immediate, specific high-profile issues, such as the de minimis limit, but generally on their collective future visions for CFTC work. Nominees also provided insight on their views of the agency's continued role regarding its exclusive jurisdiction over futures and swaps and an outlook on the changes that have occurred since the inception of Dodd-Frank, and that will most certainly continue.

Whether it is market participants who rely on the CFTC to provide regulatory certainty or consumer financial advocates who highlight the need for robust oversight of the market, I think everyone can agree that we need a functioning commission. I am confident the nominees we have today are well qualified and can further this mutual objective.

Again, I thank all of the nominees for being here today. I look forward to your testimony.

I now turn to my distinguished colleague and our Ranking Member, Senator Stabenow, for her opening remarks.

**STATEMENT OF HON. DEBBIE STABENOW, U.S. SENATOR
FROM THE STATE OF MICHIGAN**

Senator STABENOW. Well, thank you, Mr. Chairman. This is a very important hearing.

Congratulations to all three of our distinguished nominees, and welcome to their families.

Ms. Stump, welcome back to the Committee. I know you have previously served honorably on the Ag Committee staff, including your diligent work to draft Title VII of Dodd-Frank, which made, as we know, critical reforms to the CFTC.

Mr. Quintenz, welcome back to you as well. President Obama nominated you to be a CFTC Commissioner last Congress, and it was not long ago that you were sitting in that very seat, so welcome back.

Finally, Mr. Behnam, I have to say it is a little odd seeing you at that end of the table. I am normally turning to you and asking for your advice and input, but welcome. Obviously I am very proud to have you sitting there, and welcome also to Dinah and Nina, who I heard about before she was even born. We are glad that they are here with you today.

So welcome to all of your families.

As a member of my staff, Rostin, you have done excellent work for this Committee and provided valuable insight on a variety of issues, including the CFTC, over the past 6 years. I thank you very much on behalf of the Committee for your work. I am very happy that you have been nominated for this important position.

As all of you know, Acting Chairman Chris Giancarlo sat in this room just a month ago and pledged to continue the progress of Wall Street reform and uphold the CFTC's mission to foster open, transparent, and competitive financial markets.

If confirmed as CFTC Commissioners, it is essential that you work together on a bipartisan basis to make the best decisions possible for our farmers, our businesses, and our consumers.

You should also keep in mind the impact your decisions will have on the economic health of our whole nation.

It has been nearly a decade since our country experienced the worst financial crisis since the Great Depression. We all remember the devastating impacts of that disaster: 8 million American jobs were lost, many farmers and homeowners faced foreclosure, and countless businesses went bankrupt.

Last week marked seven years since the passage of the historic Dodd-Frank Wall Street Reform and Consumer Protection Act. While this important legislation has brought greater transparency, there is still much work to be done to implement further improvements.

The CFTC has unfinished business on key rules that must be completed to ensure our markets are not at risk. For example, we need a meaningful position limits rule, as called for in Dodd-Frank. The Commission must also move forward to establish important capital requirements for swap dealers. It is critical that the Commission take swift action on these issues.

The CFTC must also have the resources to effectively monitor and oversee our markets, especially as we face new challenges with cybersecurity.

The current CFTC budget is clearly insufficient. Less than 2 months ago, the White House issued a budget proposal that severely underfunds the Commission.

I applaud Acting Chairman Giancarlo for offering his own proposal to show what the Commission needs to keep our derivatives markets strong and competitive.

I have said that I will fight for the funding the CFTC needs to meet its responsibilities, and I hope all of you share that commitment.

As you know, CFTC has had vacant Commissioner positions for too long, and I am pleased that we are considering the three of you today. Now that the last remaining Commissioner, Sharon Bowen, has announced plans to leave the CFTC, there is one additional Commissioner slot that needs a nominee.

It is essential that the administration moves quickly to nominate a qualified candidate for this seat, so that we can have a full commission. Our farmers, ranchers, and consumers deserve to have a full slate of leaders at the CFTC to continue making improvements to our financial markets.

Mr. Chairman, I appreciate you holding this hearing, and I know that once we have a nominee for the final slot that we will move forward quickly as well to seat the full commission.

Thank you.

Chairman ROBERTS. I now welcome our panel of nominees this morning. For our first nominee, we have already turned to the Ranking Member for the honor of introducing him, but let me just say that he has worked for the Ranking Member since joining the Committee in May of 2011, and he has been

an advisor to Senator Stabenow and the Committee on all policy and legislative issues regarding ag, biotech, crop protection, CFTC, and executive nominations.

So, Russ, you are fully qualified, and I look forward to your testimony.

Next, we have Brian Quintenz, who was nominated for the term vacated by Commissioner Scott O'Malia. Prior to his nomination, Mr. Quintenz was the founder and managing principal and chief investment officer of Saeculum Capital Management LLC, a commodity pool operator here in

Washington, DC Prior to forming Saeculum in late 2013, Mr. Quintenz worked as an outside consultant to Merrill Lynch, and from 2009 through 2012, he was a senior investment associate for Hill-Townsend Capital during the 2008 crises. There he focused solely on U.S. financial company investment opportunities. Prior to working in the financial markets, he was a senior policy aide for Congresswoman Deborah Pryce, a dear friend of mine. Mr. Quintenz graduated Magna Cum Laude from Duke University.

Were you part of those crazy Dukies in the——

[Laughter.]

Mr. QUINTENZ. I was.

Chairman ROBERTS. With a major in public policy studies and received an MBA from Georgetown. Welcome, and thank you for participating in today's hearing.

Nina has just heard that you were part of the crazy Dukies.

[Laughter.]

Chairman ROBERTS. Our next witness, Ms. Dawn DeBerry Stump, was nominated for the term left by former Chairman Timothy Massad. Most recently, Ms. Stump served as president of Stump Strategic, a consulting firm she founded in 2016. Prior to that, she served as an executive director of America's Advisory Board for the Futures Industry Association, and a vice president at the New York Stock Exchange. She has served in senior staff positions of both the House and Senate Agriculture Committees, where she was involved in matters pertaining to the oversight of the CFTC, reauthorization of the Commodity Exchange Act, and negotiation of the derivative components of Dodd-Frank. While a staffer on the Senate Ag Committee for Senators Cochran and Chambliss, she focused on various farm policy matters and the CFTC. She represented the Committee during the negotiation of complex financial derivative policies in the aftermath of the 2008 financial crisis, and assisted the crafting of Title VII of Dodd-Frank. Ms. Stump is from Olton, Texas, and grew up working in the ag sector. She holds a degree in agriculture economics from the Texas Tech University, Red Raiders.

Welcome, and thank you for your willingness to serve as a Commissioner.

Now, as is the tradition and custom of the Committee, before Committee witnesses are to provide testimony, I need to administer the oath. If all of you could please stand and raise your right hands.

First, do you swear that the testimony you are about to present is the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BEHNAM. I do.

Mr. QUINTENZ. I do.

Ms. STUMP. I do.

Chairman ROBERTS. Second, do you agree that if confirmed, you will appear before any duly constituted committee of Congress if asked to appear?

Mr. BEHNAM. I do.

Mr. QUINTENZ. I will.

Ms. STUMP. I will.

Chairman ROBERTS. Thank you.

We look forward to your testimony.

Russ, why don't you kick it off.

TESTIMONY OF ROSTIN BEHNAM, NOMINEE, TO BE COMMISSIONER OF THE COMMODITY FUTURES TRADING COMMISSION

Mr. BEHNAM. Absolutely.

Chairman Roberts, Ranking Member Stabenow, members of the Committee, it is an honor to sit before you this morning as a nominee to serve as a Commissioner of the Commodity Futures Trading Commission.

I would like to take a brief moment to express my appreciation and thanks to Minority Leader Schumer for recommending me to this position, President Trump for the nomination, and Chairman Roberts for holding this hearing.

I would like to recognize and thank my wife, Dinah Bengur, and our daughter, Nina, for being here today. Also, I would like to thank my parents. Their patience, guidance, and support have been a bedrock and a platform for me to think big and pursue my dreams.

I would like to recognize my colleagues on the Agriculture Committee staff. This Committee is known for its bipartisanship and its ability to get things done. I have had the privilege to work with Republican, Democratic, and non-designated staff, both past and present. There are too many to name, but many have been a significant part of my career and personal life in the Senate. I call many close friends, and I hope I will be able to do so for many years to come.

Finally, I would like to thank Senator Stabenow. For more than 6 years, I have had the great privilege of serving the people of Michigan and advising Senator Stabenow in her roles as Chairwoman and Ranking Member of this Committee. Senator Stabenow has a boundless energy driven towards a simple goal: helping others. This energy and discipline are contagious and serve as a challenge to fulfill the great responsibility of public service.

These are virtues that most people can only aspire to, but, if confirmed, it is these virtues, manifested through your dynamic character, your balanced judgment, and your integrity that I will endeavor to use as a compass to guide my own decisions, both professionally and personally.

I joined the Agriculture Committee staff more than 6 years ago, only a few years removed from the financial crisis, the U.S. economy struggling to find footing, and Wall Street reform just beginning to take shape. Coming from New York City, my professional experience as an attorney was narrow relative to the true breadth of the CFTC's jurisdiction. But, after a few short months, this would all change.

During what became this Committee's first attempts at piecing together the 2014 Farm Bill, I had the opportunity to add two issues to my portfolio: biotechnology and crop protection. Since that time, I have committed to learning these two issues wholeheartedly—the complex regulatory field, the diverse viewpoints, and most importantly, meeting agricultural producers from across the country, many from States represented on this Committee.

It is within the context of my exposure to agricultural policy that the CFTC's history and core mission have become clearer to me. I believe the strength and vibrancy of the futures market, which serves as a critical price discovery and risk management tool for end users, is a testament to the creative and entrepreneurial spirit of the American farmer.

In 1974, this Committee authorized the establishment of the Commodity Futures Trading Commission as an independent agency, understanding that the quick pace of innovation in the derivatives space demanded a dedicated regulator with exclusive jurisdiction and separate from the Department of Agriculture.

With each new year, market participants developed new products to help producers, manufacturers, and financial institutions lay off risk. Today the derivatives market is largely comprised of products derived from financial instruments, like foreign currency, interest

rates, and market indices; a much more complex, global, and diversified market than what existed even 10 years ago.

Reforms established in 2009 by the G20 leaders and later included in Title VII of Dodd-Frank have made significant changes to the CFTC's regulatory canvas, shedding much needed light on the previously unregulated swaps market, which played a significant role in the financial crisis.

Title VII has improved transparency through mandatory clearing and exchange trading of standardized swaps and comprehensive recordkeeping and reporting requirements. These core reforms will protect against many risks that undermine the ability of global—the stability of global financial markets prior to 2008.

But there is more work to be done. If confirmed, I commit to working with the CFTC Chairman and my fellow Commissioners to ensure that the balance of Title VII is completed in its entirety.

Sitting here, nearly 7 years to the day since the enactment of Dodd-Frank, I believe the Commission must aim to finalize outstanding Title VII work in a thoughtful and expeditious manner. Completion will allow the Commission to shift its limited resources towards new challenges financial markets face today.

In addition to the constant need for strong enforcement of Commission rules and regulations, advancements in technology, cybersecurity threats, and regulatory coordination, both domestically and internationally, present real challenges for the CFTC and market participants.

Finally, as this Committee shifts focus to the 2018 Farm Bill, I commit, if confirmed, to working with each

member of this Committee, both here in Washington, DC, and back home, to ensure the CFTC, particularly at this time of persistently low commodity prices and economic headwinds in the farm economy, remains both a desirable and cost-effective risk management and price discovery tool for agricultural producers and the entire value chain.

Thank you for your time, and I look forward to your questions.

[The prepared statement of Mr. Behnam can be found on page 30 in the appendix.]

Chairman ROBERTS. Mr. Quintenz.

TESTIMONY OF BRIAN D. QUINTENZ, NOMINEE, TO BE A COMMISSIONER OF THE COMMODITY FUTURES TRADING COMMISSION

Mr. QUINTENZ. Thank you, Chairman Roberts, Ranking Member Stabenow, and members of the Committee. It is an honor to be with you this morning.

I would like to thank President Trump for nominating me to serve on this important Commission, and I am very appreciative of the support I received from many different parties during my prior nomination, including the unanimous support of this Committee.

I am deeply grateful for the love and encouragement of my parents, Kenneth and Susan; my brother, Darren; and my two children, Connor and Vivienne. None of them happen to be here today, as they are all enjoying much cooler weather up in northern Wisconsin for a family reunion, but my children assured me that had

this hearing occurred on a school day, they would have insisted on attending.

[Laughter.]

Mr. QUINTENZ. Mr. Chairman, I am a Midwesterner. I am a first-generation Ohioan whose mother and father grew up in Wisconsin, which is also the home of my extended family, and I am a firm believer in the Midwest values of hard work, honesty, and community.

I come from a family of entrepreneurs and small business owners. My grandfather on my mother's side, after serving in World War II, returned home to northwestern Wisconsin and purchased a Ford car dealership. His wife, my maternal grandmother, was raised on a family dairy farm in Chetek, Wisconsin. My paternal grandmother owned and operated a restaurant on the east side of Milwaukee, putting her three sons through college. My father started his own business, my brother started his own business, and I founded my own business, Saeculum Capital Management.

Until I closed it at the end of last year, Saeculum was an investment firm registered with the CFTC as a commodity pool operator. As the sole proprietor of the firm, it was my responsibility to effectively and meticulously manage risk as well as compliance. I am, therefore, very familiar with the CFTC's investor protection rules, disclosure requirements, and recordkeeping obligations.

I began my career in finance in 2008 during the financial crisis. Working directly under the CEO at an investment firm focused on the banking sector, I performed detailed valuations on financial institutions of all sizes and complexities. I became an expert at reading banks' balance sheets and income statements, understanding their accounting rules and financial disclosures, and forecasting their capital levels and quarterly earnings.

In this position, I depended on the accuracy and accessibility of publicly available information and became a firm believer in data and transparency. Transparency increases market efficiency and can provide important checks on risky behavior.

However, my professional career did not begin in finance. It began in public policy. After graduating from Duke with a degree in public policy studies, I joined the Office of Congresswoman Deborah Pryce, who represented Ohio's 15th District, an area that included my hometown of Columbus. Ultimately, I became her senior policy advisor with an issue portfolio that included agriculture.

In meeting agricultural constituents and personally visiting some of the over-1,000 family farmers in our Ohio district, I developed a strong appreciation for the work ethic and sophistication of America's farmers and ranchers, as well as for the pressures and the costs and the risks that they face.

Should I be confirmed, I pledge to ensure the market concerns of the agricultural sector are recognized and to continue developing a firsthand knowledge of the agricultural community.

The financial crisis scarred every sector of our economy. It hurt individuals, families, and communities, and it exposed the deep flaws in our markets. It deserved a legislative and a regulatory response. As that response is calibrated, regulations meant to address those flaws should not spill over to harm the normal activity of ordinary businesses and end users. When costs are added with-

out targeting risk, poor outcomes ensue. I will work to ensure that regulations and their burdens are tied to the risks being mitigated.

It would be an honor to bring my public policy background, my expertise in finance and risk management, my knowledge of derivatives and my respect for the agricultural community to the CFTC. This is a crucial time for our financial markets and for the people that depend upon them. It would be a privilege to serve at this agency.

Thank you very much, and I would be pleased to answer your questions.

[The prepared statement of Mr. Quintenz can be found on page 33 in the appendix.]

Chairman ROBERTS. Thank you for your statement, Mr. Quintenz.

Ms. Stump.

TESTIMONY OF DAWN DeBERRY STUMP, NOMINEE, TO BE A COMMISSIONER OF THE COMMODITY FUTURES TRADING COMMISSION

Ms. STUMP. Chairman Roberts, Ranking Member Stabenow, and members of the Committee, thank you very much for the opportunity to return here to the Senate Agriculture Committee. It was a privilege to work here for 6 years as a legislative staffer, and today I am pleased to appear before you as a nominee to serve as Commissioner on the Commodity Futures Trading Commission.

Should I be confirmed to the position, I know the standard of collaboration to which this Committee and its staff subscribe will assist me in contributing to the effectiveness of the bipartisan Commission.

I would also like to take the opportunity to thank my family in Texas as well as my husband, Jeremy, and my children, Ethan and Abigail, who are here with me today.

I have spent my entire professional career working in and around agriculture. This background is what motivates my conviction for well-functioning commodity markets. I grew up in the agricultural sector during the farm crisis of the 1980s. My hometown of Olton, Texas, is almost exclusively dependent upon production agriculture. I have seen firsthand the need for access to a variety of effective risk-management and price-discovery tools, including the futures market where the industry can hedge against the inherent risk of the business that they run.

Earlier in my career, I worked as a market analyst for a group of U.S. wheat farmers seeking to market their crops around the globe. In our effort to promote U.S. ag products abroad, I provided our marketing teams around the world with information on the market fundamentals, the futures prices, and the cash markets at various export points.

A more somber experience was my work at the Texas Department of Agriculture during a period of extreme drought. Seeing firsthand this sort of devastation and helping to coordinate a response further solidified my view that access to functional risk management tools in various forms is crucial to the agricultural industry.

Notably, though, the application of the markets regulated by the CFTC extends beyond agriculture to manufacturers, utilities, and even retirement pension plans. Futures, options, and swaps are important tools for managing risk associated with price fluctuation, energy production disruptions, retirement savings loss, and interest rate variability.

My background is in agriculture, but my experience is further informed by the various energy and financial market initiatives I worked on during the time here as a staffer on the Agriculture Committee.

In 2008, I helped negotiate a bipartisan effort to ensure that the CFTC had proper oversight authority over principal-to-principal transactions executed on electronic trading facilities. Our efforts ensured that when these contracts were performing a significant price discovery function, they would be subject to transparency and position management comparable to those of similarly designed futures contracts. At the time, this was particularly applicable in the energy markets.

Later in 2009 and 2010, the Committee was involved in responding to the financial crisis and specifically tasked with examining how to regulate over-the-counter swaps. I spent countless hours hearing from end users who utilize these markets to hedge their risk and discussing with colleagues from the Agriculture and the Banking Committee how to appropriately oversee the products, the market participants, and the infrastructure that would support such a newly regulated market.

The circumstances of the recent financial crisis taught us that the markets are constantly changing, and regulators must be nimble enough to respond accordingly. During the 10 years that have passed since the onset of the crisis, the OTC swaps market has undergone a tremendous transformation, with 80 percent of such transactions being cleared today, as compared to only about 15 percent in 2007.

The pace of change in the markets regulated by the CFTC will continue. To avoid complacency, we must be vigilant about ensuring that regulations are properly calibrated for the inevitable market evolution ahead.

In closing, I would like to note that the recently expanded portfolio of products and market participants under the CFTC's oversight requires the agency to expand its expertise, without losing sight of its legacy mission of ensuring that the futures markets are performing price discovery functions void of manipulation.

My background is in agriculture, and my professional experience extends to the energy and financial futures markets. I am honored to be nominated alongside individuals with complementary credentials, and I genuinely believe that our collective knowledge will yield optimal coordination for better regulatory developments and oversight.

Thank you, and I would be happy to answer any questions.

[The prepared statement of Ms. Stump can be found on page 35 in the appendix.]

Chairman ROBERTS. Thank you very much, Ms. Stump. I thank you all for being on time. We have a rather hard-to-understand de minimis rule of 2 hours with regards to this hearing, so thank you

for being on time. Just a bit of information for all Senators, including myself.

[Laughter.]

Chairman ROBERTS. Last Congress, we moved the CFTC reauthorization package out of this Committee in an effort to address some of the most pressing issues for market participants, such as setting an appropriate de minimis level and defining what constitutes a bona fide hedge.

Can each of you briefly discuss your views on these two issues?
Russ.

Mr. BEHNAM. Mr. Chairman, with respect to bona fide hedge, I would take a step back. I do support position limits, and I support a quick and thoughtful completion of the position limits rule. That said, I fully appreciate that.

I think the relevant question is not whether or not position limits should be completed, but how they should be completed. I think this goes to your point, thinking about a proper bona fide hedge definition, proper deliverable supply numbers, and proper aggregation definition also are very key to that rule to get it done right. I do believe it is the law, and I think it needs to be implemented and finalized as soon as possible.

With respect to de minimis, I support the current rule at the Commission, which would require the Commission to drop the \$8 billion level to \$3 billion in December 2018. That said, if confirmed I commit to working with you, this Committee, and my fellow Commissioners and the Chairman at the CFTC to make sure the current rule reflects the most recent and relevant data to ensure that the policy objectives of the registration regime are met, specifically reducing systemic risk and promoting market participation.

Chairman ROBERTS. Mr. Quintenz.

Mr. QUINTENZ. Thank you, Mr. Chairman.

With regard to the de minimis threshold level, I think when this threshold was set originally, it was really done without the benefit of a lot of data. I think if there is a scenario where this threshold reduces from \$8 billion to \$3 billion and instead of increasing registration, it would drive participants out of the market or force them to reduce their activity because of the costs that would be imposed upon them, that scenario would not serve the three stated policy goals in Dodd-Frank of swap dealer registration, which are systemic risk reduction, counter-party production, and market integrity.

As such, I think it is very important that the Commission analyze a robust set of data around this issue. I know Acting Chairman Giancarlo has called for a fresh look at data on this issue, and I would like that data to inform my opinion as to what the appropriate level of a de minimis threshold should be.

Regarding position limits, I think it is absolutely imperative that end users and farmers and ranchers that have been able to hedge in these markets continue to be able to hedge in the bona fide way that they historically have.

Chairman ROBERTS. Ms. Stump.

Ms. STUMP. I will start with position limits. Can you hear me? I will start with position limits.

First of all, I would like to commend the Acting Chairman for his commitment to putting forward a final position limit rule. I think that the discussion on the proposals and the supplements to this rule have been going on for quite some time, and I look forward to helping him to finalize this rule. With regard to bona fide hedging, the agricultural industry and the markets that they utilize have had position limits for quite some time, and my priority will be to ensure that the strategies they use to hedge are not prevented in the future due to unworkable bona fide hedging restrictions.

With regard to the de minimis levels, having been here during the development of Dodd-Frank, I can absolutely attest to the fact that registration of swap dealers was a very important component of the reforms that were included in Dodd-Frank, and certainly, those reforms should be implemented aggressively. The de minimis threshold for the de minimis exemption was also a part of Congress' direction to the CFTC.

Given that the agency has struggled to obtain good information relative to swap transactions, I believe the Commission made a determination that they needed to delay the implementation of the threshold until such time as they could have better data, and I look forward to looking at that data and reviewing it as the schedule comes due again.

Thank you.

Chairman ROBERTS. Thank you for that.

In the 26 seconds that I have left, I am going to submit two questions for the record, but one is in regard to our folks on the ground who are trying to hedge their agriculture or commercial risk, and they need to be able to focus on the business of what they do best for America. The question concerns what is your position on rules and regulations and the negative impact on our farmers and ranchers and other end users and how you would address those concerns, and I am sure you all can respond to that.

The other one is the—we hear rumblings about whether it makes sense from a budgeting perspective to combine the SEC and CFTC. Any comments you may have on that? You obviously are opposed to that and—

[Laughter.]

Chairman ROBERTS. —you can express that in one simple paragraph.

Senator Stabenow.

Senator STABENOW. Thank you, Mr. Chairman, and I too share your interest, obviously, in the position limits rule.

I think it is clear. I think I heard all of you say that you want to get that rule done. Is that right? Rostin, is that right?

Mr. BEHNAM. Correct.

Senator STABENOW. Yes. Brian?

Mr. QUINTENZ. Yes. I would commit to finalizing the position limits rule.

Senator STABENOW. Dawn?

Ms. STUMP. Yes.

Senator STABENOW. Okay. We also have work to do on the swaps de minimis threshold. I am not going to talk about this issue now, but I do want to be clear on the budget. You all are walking into

a situation where there has been dramatic increases in responsibilities without adequate resources now for years. We are all concerned about important new issues that pose as threats to the markets, like cybersecurity and so on.

I am wondering if each of you would indicate whether or not you would support increased resources for the CFTC, and at a minimum, would you support the Acting Chairman's efforts to increase the budget?

Rostin?

Mr. BEHNAM. Senator, I do not think the budget increases that the CFTC has received since the financial crisis, to use your word, are commensurate with its new oversight responsibilities, thinking about the swaps market, which is estimated at about \$500 trillion notional value.

Then, again, to your point, cyber threats and the advent of automated trading, these are all very resource-intensive challenges that the CFTC faces. So, yes, I do support an increased budget. I do support Acting Chair Giancarlo's proposal.

I would also add that I think it is important that this Committee consider the Division of Enforcement and the actions it has taken at the Commission. Over the past 5 years, it has returned billions of dollars to the Treasury, and I think it is important to view funding the CFTC in an appropriate way as an investment in safe and stable markets.

Senator STABENOW. Thank you.

Yes, Brian.

Mr. QUINTENZ. Thank you, Senator.

I think there are a number of different ways to ball-park or handicap the new responsibilities that the agency has received. From the outside and as a nominee, I am not necessarily privy to the same type of information that I could be as a Commissioner on resource utilization and allocation or need, but I have a tremendous amount of respect for and confidence in Acting Chairman Giancarlo and would compliment him on the diligence, the honesty and the forethought that he put into building his budgetary submission. It is my understanding that the increase that he is seeking would go towards increasing the number of economists in the chief economist office and providing more oversight over central counterparties. Both of those are priorities I would support.

Senator STABENOW. Great. Thank you. Dawn?

Ms. STUMP. Like Mr. Quintenz, I would like to commend the Acting Chairman for doing a top-to-bottom review of the Agency's resource needs. I think that was overdue, and he was very thoughtful, I think, in putting forward an alternative budget relative to the gaps that he found and the need for increased efficiencies.

I look forward to having the opportunity, if confirmed, to review that information and contribute to future budget discussions.

I would like to also, in the context of this conversation, commend the staff that were tasked with implementing Dodd-Frank at the CFTC. They did a remarkable job and, frankly, were one of the first agencies to implement most of the responsibilities under the Dodd-Frank Act, with the limited resources they had.

Senator STABENOW. I agree with you. I think there has been tremendous work done, given the importance but also the limited resources.

Let me ask about cybersecurity because we know it is an enormous risk, not only to national security, but also to our markets and our economy. This is something we must take seriously as we move forward.

Financial markets are as vulnerable as any institution, and an attack on markets would have catastrophic repercussions for our nation's economy.

If confirmed as a CFTC Commissioner, what are your intentions to address this growing challenge? Do you believe the Committee needs to provide additional authority to the CFTC to better protect the financial markets it oversees?

Mr. BEHNAM. Senator, I think the thing that pops into my mind when I think about cyber is coordination and collaboration among financial regulators. There are obviously a lot of financial regulators that oversee very discrete parts of the financial system.

That said, the one priority that I hope I would contribute to my fellow Commissioners and the Chairman is working with other financial regulators, specifically thinking about the Financial Stability Oversight Council, which was authorized in Title I of Dodd-Frank, excellent opportunity for Acting Chair Giancarlo to be sort of the face of the CFTC and work with other financial regulators to have an across-the-board coordination with all regulators so that everyone is working on the same page and sort of living up to the same standard, because you could have nine out of ten financial regulators doing and having the best cyber defense, but if one, to your point, is not strong, that one leak can have a systemic issue across the board.

Senator STABENOW. Thank you.

Yes, Brian.

Mr. QUINTENZ. Yes. I would like to echo those comments.

I think about cybersecurity from an internal perspective and an external perspective, the internal perspective meaning protecting the CFTC's own data and its digital infrastructure from attack. I know that it is implementing the NIST Cybersecurity Framework, and it is also subject to the Federal Information Security Modernization Act and the annual audits that it requires. Then there is the external component of ensuring that the financial institutions that it regulates are held to the highest standards, and I know that there has been a unanimous rule to address those issues.

Senator STABENOW. Yes, Dawn?

Ms. STUMP. I agree with everyone. Cyber is a serious threat to the market and the infrastructure that supports it, and you all putting forward core principles under the Commodity Exchange Act expect that the system safeguard core principle be adhered to.

The Commission recently improved upon the systems safeguard core principle regulations to ensure that the clearinghouses and the exchanges that support these markets are, in fact, conducting the necessary internal and external test to ensure that cyber threats can be managed and detected.

So I certainly will be vigilant in ensuring that those regulations are complied with, if confirmed.

Senator STABENOW. Thank you.

Mr. Chairman, I know I have gone over, but I want to stress that there are folks working at this moment to undermine U.S. financial systems as well as the rest of our economy. So I hope that each of you will take this threat seriously moving forward.

Thank you.

Chairman ROBERTS. They were good overtime questions.

Senator Ernst.

Senator ERNST. Yes. Thank you, Mr. Chair, and welcome to each of you, your families, and your colleagues. It is nice to have you here, and congratulations on your nominations.

We all know that folks within the ag industry face tremendous risk and operate in a uniquely volatile marketplace. Risk management is essential to their business operations, especially as we continue to experience a downturn in our ag economy.

From the entire panel, if you would, as you all know, there is a big difference between an Iowa farmer hedging against commodity market risk and a Wall Street investment banker writing credit default swaps. How would you ensure that we avoid unintended consequences of a one-size-fits-all regulation on families and businesses who are involved in agriculture?

We will reverse the order this time. Ms. Stump, if you would start, please.

Ms. STUMP. Certainly.

I absolutely understand what you are saying. The CFTC is tasked with regulating a number of different asset classes and market participants, and certainly, given my background, I am familiar with the different risks that agricultural producers face and energy producers also face. All of the commodity market participants need to have access to markets where they can hedge against the volatility that is always going to be present in their business.

Relative to the financial products that the CFTC oversees, some of those are also necessary hedging tools. For example, CoBank probably uses the interest rate swap market to hedge against their risk, and we have to make sure that those tools are available to them as well.

On the other side, there are participants in the market that are not hedgers. They are liquidity providers. They are often speculating in the market, and we do need to address the concerns relative to the different market participants in different manners. I look forward to doing that, if confirmed.

Senator ERNST. Very good. Thank you.

Mr. QUINTENZ. Thank you, Senator.

I think that these markets need to work for the people and the farmers and the ranchers and the businesses that have a natural exposure to commodity risk because they depend upon them, and when the Commission loses sight of the risk that its rules are trying to mitigate or the market flaw that its regulations are trying to address, that is when costs get added and regulations end up burdening ordinary businesses and the end-user community.

So I would pledge to make it a focus of mine to ensure that the regulations and the rules that the CFTC considers, proposes, and finalizes target risks specifically.

Senator ERNST. Thank you.

Mr. BEHNAM. Senator, echoing everything my fellow nominees said, I will add, though, I think constant communication with stakeholders. Obviously, the stakeholders of this Committee is important to ensure that they are able to use the derivatives market in a cost-effective way as a risk-management tool.

So, if confirmed, I pledge to continue working with the Aggies to make sure that they are able to use the markets in the way they were intended to be used.

Senator ERNST. Thank you very much. I appreciate it.

In his testimony, Mr. Quintenz discussed the danger of rules that treat low-risk behavior the same as high-risk behavior, and for all of you as well, to what extent do you think CFTC regulations currently do this? Are there any steps that Congress should be taking in this process?

Yes, Mr. Quintenz.

Mr. QUINTENZ. I guess I will start since it was in my testimony.

Senator ERNST. Yes.

Mr. QUINTENZ. I think that——

Senator ERNST. Thank you.

Mr. QUINTENZ. —there are areas where the Commission has issued rules on thresholds or definitions that do not necessarily fit the risks that are being mitigated.

I think one example could be in the de minimis threshold and using notional value as a way to measure activity. Notional value, I believe, is a poor measure of activity and is a meaningless measure of risk, but yet that is what the Commission has chosen to impose all of these costs upon smaller firms that would have to register as swap dealers; also, in regulations defining who is a bone fide end user in position limits; Also, in defining who is an algorithmic or a high-frequency trader, where in past iterations it could have applied very broadly to even the farmers and the ranchers of this country; I think they need to make sure they are focused on targeting the rule specifically.

Senator ERNST. Very good.

I only have 30 seconds, if there is a differing opinion, either one.

Ms. STUMP. I have no differing opinion.

I would just like to point out that you all have given the Commission a principle-based roadmap for these regulations, such that I think that indicates that one-size-fits-all was not your intention, so——

Senator ERNST. Right. Correct. Thank you.

Mr. Behnam.

Mr. BEHNAM. I would just add that it is important as an independent agency that the Commission have the flexibility to constantly adapt to the current marketplace, given its quick pace of evolution.

Senator ERNST. Absolutely. Thank you very much.

Thank you, Mr. Chair.

Chairman ROBERTS. Senator Donnelly.

Senator DONNELLY. Thank you, Mr. Chairman.

Thank you all for being here.

I have consistently argued that position limits should be a tool in the CFTC's tool box that helps the Commission fulfill its mission to promote transparent open markets and to protect the public from fraud and manipulation.

I would like to go down the line. If confirmed, will you work to finalize the position limits rule in a timely manner?

Mr. Behnam.

Mr. BEHNAM. Senator, absolutely. I support position limits, and I will work with my fellow Commissioners and the Acting Chair to ensure that the rule is done as quickly as possible.

Mr. QUINTENZ. Thank you, Senator. Yes, I would commit to finalizing a position on this rule.

Senator DONNELLY. Okay.

Ms. STUMP. Yes, I would.

Senator DONNELLY. Great. One of CFTC's continual challenges is securing appropriate funding to make sure that operations are full capacity. That has continued to be a challenge on a regular basis.

I am also interested in learning more about the possibility of creating a self-funding mechanism for the Commission that provides you with the resources needed without restricting access for market participants.

Mr. Quintenz, starting with you, would you commit to getting back to this Committee in the coming months with your thoughts and ideas for appropriately funding the Commission for the work that you have to do?

Mr. QUINTENZ. Absolutely.

Senator DONNELLY. Ms. Stump?

Ms. STUMP. Yes. I would be happy to.

Senator DONNELLY. Mr. Behnam?

Mr. BEHNAM. Yes, Senator Donnelly.

Senator DONNELLY. Great.

Thank you, Mr. Chairman.

Chairman ROBERTS. Senator Boozman.

Senator BOOZMAN. Thank you, Mr. Chairman, and thank you and the Ranking Member for getting this together in a timely fashion.

I guess I would like to talk a little bit about harmonizing the swaps rules to ensure that U.S. firms are operating on a level playing field with their international competitors.

In your opinion, how important is this work—international regulators harmonizing their swaps rules? What are the biggest harmonization challenges that we are facing in the coming years, and how do you think we should tackle these challenges again? Talk a little bit about how that affects the ability of United States entities to compete overseas.

Mr. QUINTENZ. Thank you, Senator.

The swaps market is a global market, and I think that presents two somewhat opposing challenges in harmonization efforts.

The first is that, as the financial crisis showed, a buildup of excessive risk anywhere through derivative exposure can be a buildup of excessive risk everywhere, and we have to be vigilant that we are not importing risk into the United States through lax comparability determinations.

But the second aspect of a global swaps market is that if costs or regulations are added in one jurisdiction that do not compare to other jurisdictions, that activity can move overseas, and it could be detrimental to the liquidity and to the ability of end users.

Senator BOOZMAN. You actually lose control somewhat?

Mr. QUINTENZ. To some degree, you could, yes, Senator. So I think that those are things that the Commission needs to keep in mind in making comparability determinations.

Mr. BEHNAM. Senator, I think one of the most important lessons from the crisis was how global and interconnected the financial markets are. You could have a transaction, to Mr. Quintenz's point, take place far beyond our borders and it have a profound effect on our domestic institutions, our domestic markets, and most importantly, the American taxpayer.

With that, I think it is critical that when the CFTC enforce its cross-border guidance and related rules and regulations, it have appropriate oversight over transactions that have significant nexus to the U.S.

With that, to the extent that it is my responsibility, if confirmed, I will work with the Chairman to continue working with foreign counterparts to make sure that there is a level playing field and that there is not a regulatory race to the bottom.

Senator BOOZMAN. Very good.

Ms. STUMP. I would just—I agree with everything that has been said, but I would like to point out that never was it any more apparent than during the financial crisis that these are global markets. What started in one jurisdiction quickly bled into another, and I think that is why the global regulators came to terms with a three-part approach relative to derivatives regulations—transparency, reducing systemic risk, increase clearing. All of those things were supported in a bipartisan manner.

But what is unique about the United States is that the CFTC has for over 30 years been a leader among their global regulators, and I believe that has continued. They were one of the first movers implementing many of these reforms, and so we saw that at the time, when various jurisdictions were implementing the regulations at different times, that there were gaps. But now most jurisdictions have taken steps to put in place regulations, and it is incumbent upon all regulators to coordinate and ensure that they are not stepping on each other but at the same time ensuring that the prevalence of these problems does not bleed from one jurisdiction to another.

Senator BOOZMAN. Well, we have the harmonizing the rules. We have the cross-border situation, but domestically, what will you do to reduce the unnecessary redundant burdens, such as inspections, filings, and information requests on regulated entities?

In other words, right now the feedback that we are getting is that we need good information, but we do not need regulation for regulation's sake.

The other problem with that is that as you acquire this information—and it is not just the CFTC—it is all of our financial regulators. It seems like there is a move for more and more information, but as we talked about the cyber security component, you

have the responsibility then of securing this information, which is very, very difficult to do.

So can you comment on what do we do about getting rid of some of the redundant stuff that is going on?

Mr. QUINTENZ. Thank you, Senator.

I think this is an opportunity to applaud Acting Chairman Giancarlo's efforts. He has announced something called Project KISS, which stands for "Keep it Simple, Stupid," to review all of the regulations that are currently on the books and try to find areas where there may be duplicative regulations or unneeded regulations. I would support his efforts in that regard.

Senator BOOZMAN. Very good.

You all certainly support that, I assume?

Mr. BEHNAM. Absolutely.

Ms. STUMP. Yes.

Senator BOOZMAN. Very good. That is a great slogan for all of us. Thank you, Mr. Chairman.

Chairman ROBERTS. Senator Klobuchar.

Senator KLOBUCHAR. Thank you very much, Mr. Chairman.

Welcome, all of you. This hearing is a little more intense than the Judiciary hearing I just came from on Russia, so I will try to adjust my tone.

[Laughter.]

Senator KLOBUCHAR. Mr. Quintenz, you have a strong background—

Chairman ROBERTS. Welcome back home.

[Laughter.]

Senator KLOBUCHAR. Thank you. Thank you. It is great to be here.

Mr. Quintenz, You have a strong background with the financial markets. You have been a participant in financial markets as part of your business.

You and I met, and we talked about the differences between speculation in areas like gas, oil, wheat, where there are physical commodities, and pure financial speculation. Could you talk about how you consider this and what you see as the similarities and differences?

Mr. QUINTENZ. Yes. Thanks, Senator.

It was a pleasure to meet you, and it was very kind of you to spend some time talking business during that—during that event.

Commodity markets evolved completely separately from the equity markets for completely different purposes. Whereas the equity markets were designed for companies to raise capital from the public and to provide an avenue of wealth creation through the ownership of future cash flows, commodity markets evolved so that individuals, farmers and ranchers, and businesses that have a natural exposure to commodity risk could hedge that risk and transfer that risk.

Currently in the commodity markets, there are two classifications of participants. Those that have that natural exposure and hedge that exposure are considered hedgers, and that impacts things like reduced margin requirements, because of their ability to perform on these contracts; Everyone else is lumped into the role of a speculator. That could be an individual, it could be a small fi-

nancial firm, it could be a large financial institution, regardless of whether or not they are speculating for their own account or providing intermediation for their client. But it is the functionality of these markets to the end user for the purposes of price discovery and risk mitigation that is at the core of the CFTC's function, which is what I would vow to protect.

Senator KLOBUCHAR. Okay. Thank you.

As you know, we are facing a big time of declining commodity prices and in all the areas that I mentioned, including in agriculture, and big moves in market prices, as you know, can create an incentive for speculation and abuse, people placing bets on the way the market moves and who do not have a stake actually in the commodities being produced. The CFTC enforces the rules that prevent abuses that led to the 2008 market crisis, and since then, cases of note that we have discussed in this Committee—MF Global and Peregrine—I actually have someone, a constituent in my State, an agriculture person who is a victim of both of those rip-offs.

So I guess I will ask the other two nominees here, Ms. Stump and Mr. Behnam. In your work on the Agriculture Committee, you saw how the ag sector was also impacted by the collapse of MF Global and other abuses. Could you talk about how you would work with the CFTC to protect consumers and investors, and are there other steps that we can take to protect consumers and investors from these types of abuses?

I guess, Mr. Behnam and then Ms. Stump.

Mr. BEHNAM. Senator, like you pointed out, my work on the Committee has been super helpful in sort of informing me about the risks that growers take on a daily basis, and having worked on the MF Global and Peregrine hearings when we had them back in '11 and '12, having an opportunity to meet these growers firsthand and the risks they take, and really the unacceptable abuse of their sort of—their assets and their personal belongings that these companies did was egregious. To that end, I think the Commission and this Committee has reacted well, but the core priorities of the Commission have to be customer protections.

To Mr. Quintenz's point, these markets were created for end users to manage risk and for price discovery, but we have small, large farmers and ranchers and manufacturers and other end users using these markets. The priority for the Commission must be customer protections.

To that end, if confirmed, I will continue working with stakeholders, both ag and otherwise, to ensure that they feel comfortable using the markets for risk management and price discovery.

Senator KLOBUCHAR. Thank you.

Ms. Stump?

Ms. STUMP. Absolutely, I think that the customer protection measures that the CFTC is responsible for are the bedrock of what makes these markets appealing to people and encourages them to hedge against their risk. If their collateral cannot be protected, they will have no incentive to be operating or hedging against the risk.

Certainly, the failures of MF Global and Peregrine resulted in a review of what could be done and what could be made better and

what could be improved upon relative to protecting those assets, and I am very pleased to have worked with a coalition of agricultural producers and the clearing members that support them at that time to review those improvements and to have provided input into how they would be workable or not. Going forward, if confirmed, this will be especially important to me, because I am from the agricultural industry, and we want to encourage those folks to be in the markets hedging.

Senator KLOBUCHAR. Okay. Thank you.

Chairman ROBERTS. Senator Thune.

Senator THUNE. Thank you, Mr. Chairman, Senator Stabenow, for having the hearing. It is nice to welcome Ms. Stump and Mr. Behnam back to the Committee, and I know that with your experience here, you understand the complexities of the ag commodity markets and how important they are when it comes to keeping functioning smoothly and without risk. So we look forward as well, Mr. Quintenz, to having you all there and bringing your backgrounds to bear and to serve at the CFTC.

Just a question having to do—we have heard complaints, especially from our livestock producers, that the Chicago Mercantile Exchange, or CME, is not performing as it should, which they say is negatively impacting cattle prices. Can you kind of tell me just maybe what your thoughts are on that, and perhaps even more specifically, with your future potential oversight of CME at CFTC and based on what you know now, are there any CME activities that concern you regarding transparency or price manipulation?

Mr. BEHNAM. Senator, I am not aware of any actions that the CME has taken that would disrupt the cattle markets.

That said, I am very well aware of this issue. I have met with stakeholders, some from South Dakota in the past year or two, and appreciate their concerns about the volatility in that market.

That said, if confirmed, I fully commit to working with you, your staff, and this Committee to ensure that measures that both the CFTC have taken and the CME has taken as well continue to address the problem and resolve the issues, so that the livestock industry can use the markets for risk management.

Mr. QUINTENZ. Thank you, Senator.

I think, ultimately, these markets need to work for the farmers and ranchers that depend upon them, and when a contract is trading at lock limit for a significant number of days, like the cattle futures contract has in 2015, to a lesser extent 2016, but still somewhat in 2017, I think it is indicative of some type of problem with the market, whether it be contract design, whether it be market participants, or whether it be supply and demand and balances. It is important for the Commission to answer those questions.

I know that the Commission has been looking into this and has been working with all the stakeholders, including the CME and ranchers that have exposure to this, and I would pledge to look into this issue and give you any of my thoughts and findings.

Senator THUNE. Thank you.

Ms. Stump?

Ms. STUMP. I agree with everything that has been said. The only thing I would add is that anytime one of the commodity markets is not performing a price discovery function or convergence is not

occurring or volatility that is unprecedented is present, it is incumbent upon all of the stakeholders to come together and address or at least explore that there might need to be changes, including the exchanges, the end users, the liquidity providers, and certainly the regulators. I am committed to doing that if confirmed.

Senator THUNE. Well, we look forward to working with you on that. As you noted, we hear a lot of that—and I am sure you do as well—from people who are out there raising cattle and trying to use the markets in an effective way.

Past several years, we have been informed that resources, including personnel at the CFTC, are insufficient to meet required operations and oversight. Based on what you know now, what are your thoughts on staffing and resources, and do you expect to be requesting additional staffing and resources in the future?

Ms. STUMP. I will start. I think that the Acting Chairman has done a remarkable job of evaluating the resource needs of the CFTC, and that was probably overdue. I think he has identified some increased efficiencies as well as some gaps that need to be filled, and in doing so, he has put together some analysis that I have not yet seen, but, if confirmed, I am committed to reviewing, especially in the context of the new responsibilities that the Commission has under the Dodd-Frank Act.

Mr. QUINTENZ. Thank you, Senator. I would completely agree with Ms. Stump.

While it is hard as a nominee to have the same type of information as we would have as Commissioners to answer the resource question, I am well aware of the review that Acting Chairman Giancarlo has put together in his request for additional resources and would look forward to working with him to ensure that the Commission has what it needs to operate and fulfill its obligations.

Mr. BEHNAM. Senator, I agree with my fellow nominees in the sense that we cannot properly evaluate the needs of the Commission in these seats, and we would need to be down there examining the books to see what the true needs are.

That said, as I pointed out earlier, I would say given the increase in oversight responsibility that the Commission received through Title VII, relative to the funding increases it has received since the financial crisis, I would think that the funding increase is important to ensure and preserve market integrity.

Senator THUNE. My time has expired. Thank you, Mr. Chairman. Chairman ROBERTS. Senator Perdue.

Senator PERDUE. Thank you, Mr. Chairman, and thank you for holding this critical meeting. In my opinion, it is very important we get these Commissioners confirmed so they can go to work.

I just have a couple of quick questions for all three. The first is on the derivatives markets globally. Since the crash in '08 and '09, as jurisdictions around the world move to catch up and progress towards implementing their own reforms in the derivatives markets, coordinations with those regulators around the world to me seems like it has never been more important for our CFTC to be engaged with that.

Would you just briefly—because I want to get on to another issue here as well, quickly—would you talk about your views regarding how the CFTC can better coordinate with these other regulators

around the world to ensure that we do have a robust global swaps market? I mean, this is not just an isolated regional market, as I am sure you are aware, so that U.S. companies can, in fact, hedge their risk. As many of you know, most of our U.S. players are in that global market every day, anyway. So would each of you—Ms. Stump, would you start. Thank you.

Ms. STUMP. Certainly.

I agree with everything you have said. These are global markets, and the coordination is essential.

Post Dodd-Frank, I think all of the regulators around the world moved at different paces, and so there were times at which there might have been gaps, but I think that has been less so in recent years, such that the regulators have come to terms with the fact that they are all pulling the wagon in the same direction.

So going forward, though, I think regulators need to be focused globally on new threats. How are we going to coordinate relative to a cyber incident? How will we coordinate relative to new technologies being present in the marketplace?

I said in my testimony that I think it is really important that we consider that—that we will need to calibrate the regulations going forward. That is not just in the United States but around the world.

Senator PERDUE. Thank you.

Mr. QUINTENZ. Thank you, Senator. You are exactly right. The global nature of the swaps market means that if costs are imposed in one jurisdiction that do not match up to costs in other jurisdictions, that activity will move, and it will disadvantage that home country in terms of a liquidity and its smaller market participants.

Senator PERDUE. Do you think that we are in that situation today?

Mr. QUINTENZ. I think it is possible.

I think the Commission needs to do a very thorough job of understanding how the costs that it is imposing are affecting the global marketplace. Ultimately, that comes down to a process perspective and ensuring that the Commission looks at this on an outcomes-based process. Everyone is going to have different opinions as to specific requirements, how much to hair-cut collateral, et cetera, but if the Commission focuses on the outcomes, I think it will make for a much smoother process. It also comes down to relationships, having good, positive, trusting relationships with international regulators, and from what I am aware, those have been improving in recent years.

Senator PERDUE. Thank you.

Mr. BEHNAM. Senator, I would echo some of the statements that my fellow nominees have said.

I would add that I think it is important, given that we are now 10 years past the financial crisis, that we not forget what happened and what the results were. With that said, it is important that regulators continue to work together individually on a one-on-one basis but also use entities like Basel and IOSCO as sort of measures to convene global regulators.

Additionally, it is critical that we do not have a race to the bottom. Given the sort of transportability of these products and financial markets generally, it is not difficult for even some of our do-

mestic financial institutions to just pick up and move to different jurisdictions. So it is important that everyone work together and work on a level playing field.

Senator PERDUE. Very quickly, I will just throw this out, and you can voluntarily answer this quickly. But Dodd-Frank imposed so many regulations, it required mountains of additional information being collected. I hear this more than any other complaint about the regulatory environment today, is that how much unnecessary information—unnecessary, in their definition, information, additional information is being collected today.

In your opinions today, do you believe the CFTC collects too much information for firms under its jurisdiction?

Mr. QUINTENZ. I believe that the agency needs to make sure that the information it is collecting and the burden that it is placing on end users and farmers and ranchers corresponds to a risk or a market flaw that it is trying to address.

Ms. STUMP. I do believe that the information that the CFTC requires needs to be more targeted. In fact, I think it could be improved. The information that is being currently collected relative to swap data is not necessarily in a format that is effectively digested, and so if we could find a way—and I believe the Acting Chairman has committed to doing so, and I certainly have confirmed, would love to help in this effort, to make the information more usable, such that we can properly target those who need to be supplying it.

Senator PERDUE. I am out of time, but quickly, the source codes that are used in the algorithmic trades, is that something that CFTC is capable of collecting, protecting, and then using properly?

Mr. QUINTENZ. It is my understanding that the CFTC has in the past issued subpoenas for source code, and I believe that the subpoena process provides an important protection for that intellectual property.

Senator PERDUE. Thank you. I am out of time. Thank you.

Thank you, Mr. Chairman.

Chairman ROBERTS. Senator Daines.

Senator DAINES. Thank you, Mr. Chairman, and thank you to the witnesses, nominations for coming before this Committee and for your willingness to serve.

I want to thank Chairman Roberts for holding this hearing. I also want to continue to work with you, Mr. Chairman, Ranking Member Stabenow, in moving forward these nominees through this Ag Committee and on the Senate floor as quickly as possible.

When I am asked what is the largest industry in Montana, it is an easy answer. It is agriculture, and the CFTC's role in ensuring that agricultural derivative markets are priced fairly, I have heard a lot of concerns from these producers out in Montana that sometimes wonder if it is a casino anymore versus just working back on the fundamentals of supply and demand.

We want to make sure that agriculture derivatives, the markets are priced fairly, they are priced efficiently, and ensure they are free of collusion.

Should you be confirmed as Commissioners, you will be charged with policing these markets while protecting against price spikes caused by lack of liquidity as well as by manipulation.

Acting Chairman Giancarlo joined the Chairman and myself in Montana just last month for our Ag Summit, and he was able to visit a grain elevator, met with farmers that rely on the futures market. I certainly want to extend a warm invitation to each of you to come out to Montana and see it for yourself.

Let me start with market volatility. One of the recent initiatives we have been focused on was to remove the ban on U.S. beef imports into China. That stood for 14 years. Many of us had concerns it really was not warranted, but nonetheless, it was the reality. We have been working hard to get that ban lifted. It is the second largest beef import market in the world.

As the ban has been lifted just in the last month, prices are finally starting to increase. That is a good sign, and there are a multitude of factors that go into cattle prices. So, again, we are glad that prices are going up.

But I am concerned about these price shocks and market volatility, and the question is, to Mr. Behnam, do you believe the current regulatory framework is capable of soundly accommodating the market volatility that we see as well as the price shocks?

Mr. BEHNAM. Senator, first off, I look forward to visiting Montana when—

Senator DAINES. So I will take that as a commitment.

Mr. BEHNAM. Commitment, absolutely.

[Laughter.]

Senator DAINES. All right. Thank you.

Mr. BEHNAM. Second, CFTC has a fairly robust regulatory regime in terms of collecting data. I think to the question earlier, we need to make sure that the data and the information collected is pointed and has purpose, so that we are not putting an undue burden on stakeholders and market participants.

That said, the types of data continue to evolve and change with technology advancements and just market changes. So if I am confirmed, I commit to working with CFTC staff and Acting Chair Giancarlo to review the data requirements, the data rules and regulations, to ensure that whatever is being collected is relevant and is also appropriately measuring what the markets reflect in terms of prices.

Senator DAINES. So along that line—and, again, one of the great mysteries at times for our producers in Montana is these dislocations that occur as relates to market volatility between supply and demand. So my question is, What would be your expectations for managing these market dislocations between supply and demand?

Mr. BEHNAM. I think some of the concerns in the livestock futures contract, I think, are sort of parallel to some of the concerns you raise. I know that the CME took actions to resolve some of the issues, which include changing delivery locations and delivery times of the cash market and also changing trading hours. I think those are the types of sort of remedies and solutions that both exchanges and the CFTC have to look into in order to resolve distortions in prices between the futures market and the cash market.

Senator DAINES. Let me shift gears here. Ms. Stump, you mentioned in your written testimony, and I quote, “The derivatives markets are dynamic, ever changing, and constantly evolving.” I understand that the LabCFTC has been established to provide reg-

ulations alongside the emerging fintech firms to help them navigate this legal gray. The question is, Do you support the LabCFTC initiative to enhance the efforts of a growing industry?

Ms. STUMP. Yes, I absolutely do. I think the market has actually benefitted over many years from the various innovations that have come forward, but at the same time, it is incumbent upon the regulators to be taking a forward look at the things that are coming and to ensure that we properly understand them and, if need be, can regulate them.

Senator DAINES. So along that line, if confirmed, will you recommend any changes to the LabCFTC as we think about going forward?

Ms. STUMP. If confirmed, I would commit to helping the LabCFTC evolve.

For now, I think it operates as a forum for fintech providers and regulators to come together and think through and learn about what may be coming. Beyond that, I think that there are steps that could be taken to build that out, such that it becomes a forum for regulatory building around some of those things.

I am not sure we are there yet, but I do think that it will evolve into something much bigger than it is today.

Senator DAINES. Thank you.

Mr. Chairman, I am out of time. Time flies when you are talking about agriculture, doesn't it, Mr. Chairman?

[Laughter.]

Chairman ROBERTS. Yes, that is correct. I just hope the other side listens.

Senator STABENOW. That is right.

Chairman ROBERTS. Unless there are further questions—and we have all had the opportunity to submit questions for the record, as I will indicate here in just a moment, the Ranking Member and I were discussing this while contentedly listening to the testimony as well. This is a unique opportunity. We have three, if I can say, very bright, experienced nominees here, and whether we can dub you the Three Musketeers—where is d'Artagnan? I guess that is the next person coming up. But this is a unique opportunity. We have three very good nominees, outstanding nominees for the Commission. We also have an opportunity to have a full Commission working for the first time in quite a few years. It is a wonderful opportunity and a message to rural America and to our farmers and ranchers and growers and to everybody that I mentioned in my statement that we can have a full Commission working on their behalf and protecting them as well.

I am going to yield to you for any further comment.

Senator STABENOW. Well, Mr. Chairman, I completely agree, and I think it is, frankly, a breath of fresh air to have nominees that want to serve, that are knowledgeable about the subject matter that they will be serving in and committed to focus on making sure that this part of the economy works.

By the way Rostin, Nina is responding to that.

[Laughter.]

Senator STABENOW. She concurs in that as well.

Chairman ROBERTS. She agrees.

Senator STABENOW. Yes.

Again, I want to thank all of you for being willing to serve. This is not easy work, I am very pleased to be able to support all of you.

Chairman ROBERTS. I may add that Nina's comments will be submitted for the record.

[Laughter.]

Chairman ROBERTS. That will conclude our hearing today. I thank the nominees for taking time to address this Committee and to answer the Committee's questions. It is very clear that you have all exhibited that you are qualified to join the CFTC as Commissioners and work on the complicated market issues that impact all of us.

In closing, I would like to mention that I have received multiple expressions of support for all of our nominees from both the ag and financial market sectors. Some have sent letters, including some of the largest organizations in our ag sector. I am grateful to all of the groups for voicing their support for these nominees.

Without objection, the letters will be entered into the record. It is so ordered.

[The letters follow:]

Chairman ROBERTS. We learned a great deal today from the nominees. Their testimony provides us significant information, a solid basis upon which to report them favorably out of Committee per our rules. We cannot do so today, unfortunately, but we will endeavor to do so in the very, very near future.

To that end, I would request my fellow members that if they have any additional questions for the record, that they be submitted to the Committee Clerk by 5:00 p.m. tomorrow, July 28th. We look forward to receiving your responses and to further considering your nominations.

The Committee stands adjourned, Nina.

[Whereupon, at 10:49 a.m., the Committee was adjourned.]

A P P E N D I X

JULY 27, 2017

Statement of Rostin Behnam
Commissioner
U.S. Commodity Futures Trading Commission
Before the U.S. Senate Committee on Agriculture, Nutrition, and Forestry
July 27, 2017

Chairman Roberts, Ranking Member Stabenow, members of the Committee, it is an honor to sit before you this morning as a nominee to serve as a Commissioner at the Commodity Futures Trading Commission. I would like to take a brief moment to express my appreciation and thanks to Minority Leader Schumer for recommending me to this position, President Trump for the nomination, and Chairman Roberts for holding this hearing.

I would like to recognize and thank my wife, Dinah Bengur, and our daughter Nina for being here today. Also, I would like to thank my parents. Their patience, guidance, and support have been a bedrock, and a platform for me to think big and pursue my dreams.

I would like to recognize my colleagues on the Agriculture Committee staff. This Committee is known for its bipartisanship and its ability to get things done. I have had the privilege to work with both republican and democratic staff, both past and present. There are too many to name; but, many have been a significant part of my career and personal life in the Senate. I call many close friends, and hope I will be able to do so for many years to come.

Finally, I would like to thank Senator Stabenow. For more than 6 years, I have had the great privilege of serving the people of Michigan and advising Senator Stabenow in her roles as Chairwoman and now Ranking Member of this Committee. Senator Stabenow has a boundless energy, driven towards a simple goal: helping others. This energy and discipline are contagious, and serve as a challenge to fulfill the great responsibility of public service.

These are virtues that most people can only aspire to; but, if confirmed, it is these virtues, manifested, through her dynamic character, her balanced judgement, and her integrity that I will endeavor to use as a compass to guide my own decisions, both professionally and personally.

I joined the Agriculture Committee staff more than 6 years ago. Only a few years removed from the financial crisis, the U.S. economy struggling to find footing, and Wall Street Reform just beginning to take shape. Coming from New York City, my professional experience as an attorney was narrow relative to the true breadth of the CFTC's jurisdiction. But, after a few short months, this would all change.

During what became this Committee's first attempts at piecing together the 2014 Farm Bill, I had the opportunity to add two issues to my portfolio: biotechnology and crop protection.

Since that time, I have committed to learning these two issues wholeheartedly: the complex regulatory field, the diverse viewpoints, and most importantly, meeting agricultural producers from across the country, many from states represented on this Committee.

It is within the context of my exposure to agricultural policy that the CFTC's history and core mission have become clearer to me. I believe the strength and vibrancy of the futures market, which serves as a critical price discovery and risk management tool for end-users, is a testament to the creative and entrepreneurial spirit of the American farmer.

In 1974, this Committee authorized the establishment of the Commodity Futures Trading Commission as an independent agency, understanding that the quick pace of innovation in the derivatives space demanded a dedicated regulator, with exclusive jurisdiction, and separate from the Department of Agriculture.

With each New Year, market participants developed new products to help producers, manufacturers, and financial institutions lay off risk. Today, the derivatives market is largely comprised of products derived from financial instruments, like foreign currency, interest rates, and market indices; a much more complex, global, and diversified market than what existed even 10 years ago.

Reforms established in 2009 by the G20 leaders, and later included in Title VII of Dodd-Frank have made significant changes to the CFTC's regulatory canvas, shedding much needed light on the previously unregulated swaps market, which played a significant role in the financial crisis.

Title VII has improved transparency through mandatory clearing and exchange trading of standardized swaps, and comprehensive recordkeeping and reporting requirements. These core reforms will protect against many risks that undermined the stability of global financial markets prior to 2008.

But, there is more work to be done. If confirmed, I commit to working with the CFTC Chairman and my fellow Commissioners to ensure that the balance of Title VII is completed in its entirety.

Sitting here, nearly seven years to the day since the enactment of Dodd-Frank, I believe the Commission must aim to finalize outstanding Title VII work in a thoughtful and expeditious manner. Completion will allow the Commission to shift its limited resources towards new challenges financial markets face today.

In addition to the constant need for strong enforcement of Commission rules and regulations, advancements in technology, cyber-security threats, and regulatory coordination, both domestically and internationally, present real challenges for the CFTC and market participants.

Finally, as this Committee shifts focus to the 2018 Farm Bill, I commit, if confirmed, to working with each member of this Committee, both here in Washington, D.C., and back home, to ensure the CFTC remains both a desirable and cost-effective risk management and price discovery tool for agricultural producers, and the entire value chain.

Thank you for your time, and I look forward to answering your questions.

**Opening Statement of Brian D. Quintenz, Nominee to the
Commodity Futures Trading Commission**

July 27, 2017

Thank you, Chairman Roberts, Ranking Member Stabenow, and members of the Senate Agriculture Committee. It is an honor to be with you this morning. I would like to thank President Trump for nominating me to serve on this important Commission, and I am very appreciative of the support I received from many different parties during my prior nomination, including from this Committee.

I am deeply grateful for the love and support of my parents, Kenneth and Susan, my brother, Darren, and my two children, Connor and Vivienne.

Mr. Chairman, I am a Midwesterner—a first-generation Ohioan whose mother and father grew up in Wisconsin, which is also the home of my extended family, and I believe firmly in the Midwest values of hard work, honesty, and community.

I come from a family of entrepreneurs and small business owners. My grandfather on my mother's side, after serving in World War II, returned home to northwestern Wisconsin and bought a Ford car dealership. His wife, my maternal grandmother, was raised on a family dairy farm in Chetek, Wisconsin. My paternal grandmother owned and operated a restaurant on the east side of Milwaukee, putting her three sons through college. My father started his own business, my brother started his own business, and I founded my own business, Saeculum Capital Management.

Until the end of last year, Saeculum was an investment firm registered with the CFTC as a Commodity Pool Operator. As the sole proprietor of the firm, it was my responsibility to effectively and meticulously manage risk as well as compliance. I am, therefore, very familiar with the CFTC's investor protection rules, disclosure requirements, and recordkeeping obligations. Additionally, as a prior registered Associated Person of this firm, I still hold a Series 3 National Commodity Futures Exam License, a credential valuable in analyzing and interpreting the impact of regulations on futures markets.

I began my career in finance in 2008, during the financial crisis. Working directly under the CEO at an investment firm focused on the banking sector, I performed detailed valuations on financial institutions of all sizes and complexities. I became an expert at reading banks' balance sheets and income statements, understanding their accounting rules and financial disclosures, and forecasting their capital levels and quarterly earnings.

In this position, I depended on the accuracy and accessibility of publicly available information and became a firm believer in data and transparency. Transparency increases market efficiency and can provide important checks on risky behavior. The Commission's recent focus on and announcements about improving data and transparency are encouraging, and more progress is surely needed. If confirmed, I will draw from professional experience to advance that important work.

However, my professional career did not begin in finance, it began in public policy. After graduating from Duke University with a degree in Public Policy Studies, I joined the Office of Congresswoman Deborah Pryce, who represented Ohio's 15th District, an area that included my hometown of Columbus. Ultimately, I became her senior policy adviser with an issue portfolio that included agriculture.

In meeting agricultural constituents and personally visiting some of the over one thousand family farmers in our Ohio district, I developed a strong appreciation for the work ethic and sophistication of America's farmers and ranchers, as well as for the pressures, costs and risks they face. Should I be confirmed, I pledge to ensure the market concerns of the agricultural sector are recognized and to continue developing a firsthand knowledge of the agricultural community.

The financial crisis scarred every sector of our economy, hurt individuals, families, and communities, and exposed deep flaws in our markets. It deserved a legislative and a regulatory response. As that response is calibrated, regulations meant to address those flaws should not spill over to harm the normal activity of ordinary businesses and end-users. When costs are added without targeting risk, poor outcomes ensue. When standardized rules treat low-risk behavior and high-risk behavior equally, risk is encouraged instead of reduced. I will work to ensure that regulations and their burdens are tied to the risks being mitigated.

I would be honored to bring my public policy background, my expertise in finance, my knowledge of derivatives and their uses, my familiarity with risk management, and my respect for the agricultural community and end-users of these markets to the CFTC. This is a crucial time for our financial markets and for the people that depend on them. It would be a privilege to be of service in safeguarding and improving our country's marketplaces.

I would be pleased to answer your questions.

Statement of Dawn D. Stump

Confirmation Hearing

U.S. Senate Committee on Agriculture, Nutrition, and Forestry

July 27, 2017

Chairman Roberts, Ranking Member Stabenow, and Members of the Committee, thank you for the opportunity to appear before you today. I would also like to thank my family for their tremendous support, especially my husband and children who are here with me.

It is an honor to be back at the Senate Committee on Agriculture, Nutrition, and Forestry as a nominee for Commissioner of the Commodity Futures Trading Commission (CFTC). During the six years I worked here as a legislative staffer it was my privilege to handle a variety of matters impacting our farmers and ranchers, including certain farm program policies, crop protection, specialty crop matters, renewable energy initiatives, rural development, and the authorities of the CFTC. I am grateful to the Members of this Committee for holding themselves and the staff to a commendable, yet oftentimes challenging, standard of cooperation for achieving bipartisan solutions. Should I be confirmed to the position, I genuinely believe the experience of collaboration and teamwork gained here at the Agriculture Committee will assist me in contributing to the effectiveness of the bipartisan Commission.

I have spent my entire life and professional career working in and around agriculture. This background is the motivating factor behind my conviction for well-functioning commodity markets. I grew up in the agricultural sector during the farm crisis of the 1980s. My hometown of Olton, Texas is almost exclusively dependent upon crop production, cattle feeding, and more recently dairy operations. I have seen first-hand the tremendous risks involved in these lines of business and know our farmers, ranchers, grain elevators, cotton gins, and livestock operations all need access to a variety of effective risk management and price discovery tools, including the futures markets where they can hedge against the price risks and uncertainty that is ever present in their businesses.

Before serving as a staffer in both the Senate and the House, I worked as a market analyst for U.S. wheat farmers seeking to market their crops around the globe. In this position, I provided U.S. marketing teams around the world with information on the market fundamentals, the futures prices, and the cash markets at various export points. Using my knowledge of our markets to promote U.S. products abroad was extremely rewarding.

An equally worthwhile, though more somber experience was my work at the Texas Department of Agriculture during a period of extreme drought – every county in the State was declared a disaster. Seeing first hand this sort of devastation and helping to coordinate a response further solidified my view that access to functional risk management tools in various forms are crucial for mitigating inherent uncertainty in businesses such as production agriculture.

It should be noted that the markets regulated by the CFTC and their risk mitigation benefits extend beyond agriculture to manufacturers, utilities, pensions, etc. Futures, options, and swaps are

important tools for managing risks associated with currency price fluctuations, energy production disruptions, retirement savings loss, and interest rate variability.

My background is in agriculture, but my experience is further informed by the various energy and financial market initiatives I worked on during my time on the staff of the Senate Agriculture Committee. In 2008, I helped negotiate a bi-partisan effort by Senators Chambliss, Harkin, Levin, Feinstein, Cantwell, Crapo, Snowe, and Conrad to ensure that the CFTC has proper oversight authority over principal-to-principal transactions executed on electronic trading facilities. These markets, known as exempt commercial markets, were previously subject to limited CFTC oversight. Our efforts ensured that when these contracts were performing a significant price discovery function they would be subject to transparency and position management requirements comparable to those of similarly designed futures contracts. At the time, this was particularly applicable in the energy markets.

Later in 2009 and 2010, the Committee was involved in responding to the financial crisis and specifically tasked with examining how to regulate standardized credit and interest rate swaps as well as the more tailored parts of the over-the-counter (OTC) swaps market. I spent countless hours hearing from end-users who utilize these tools to manage risk and discussing with colleagues from the Agriculture and Banking Committees how to appropriately oversee the products, the market participants, and the infrastructure that would support such a newly regulated market.

Since 2010, I have been presented with opportunities to further my experience beyond policy development and into the actual business of derivatives execution and clearing. Working for an exchange, a clearinghouse, and the infrastructure that supports these systems has provided valuable insights into how this framework facilitates the new global mandate to expose more swap transactions to central clearing and increased transparency.

The circumstances of the recent financial crisis taught us that the derivatives markets are dynamic, ever changing, and constantly evolving which requires regulators to be nimble enough to respond accordingly. The environment that existed as recently as 2000 involved customized swaps that in less than 10 years took on standard terms making them ripe for entering a standardized market structure. We must be cognizant of the fact that another 10 years have passed since the onset of the crisis when we recognized the need for updating the regulatory structure for these swaps. During these past 10 years the swaps market has again undergone a tremendous transformation with 80 percent of such transactions being cleared today, as compared to only about 15 percent in 2007. The pace of change in the markets regulated by the CFTC will continue. To avoid complacency, we must be vigilant about reviewing and refining regulations so they are properly calibrated for the inevitable market evolution ahead.

In closing, I would like to note that the recently expanded portfolio of derivatives products and market participants under the CFTC's regulatory oversight requires the agency to expand its expertise, without losing sight of its legacy mission of ensuring that the futures markets are performing a price discovery function void of manipulation. My background is in agriculture and my professional experience extends to energy and financial futures. I am honored to be nominated alongside individuals with complimentary credentials in the areas of asset management, swap execution, and implementation oversight of the Dodd-Frank Act. I believe our collective knowledge will yield optimal coordination for better regulatory development and oversight.

DOCUMENTS SUBMITTED FOR THE RECORD

JULY 27, 2017

July 25, 2017

The Honorable Pat Roberts
Chairman, Senate Agriculture,
Nutrition, and Forestry Committee
United States Senate
Washington, D.C. 20510

The Honorable Debbie Stabenow
Ranking Member, Senate Agriculture,
Nutrition, and Forestry Committee
United States Senate
Washington, D.C. 20510

Dear Chairman Roberts and Ranking Member Stabenow:

On behalf of our nation's agricultural industry stakeholders, we offer our strong endorsement of the nominations of Dawn DeBerry Stump and Rostin (Russ) Behnam as commissioners of the Commodity Futures Trading Commission (CFTC). The agricultural community relies on futures markets and over-the-counter derivatives as an effective means of risk management, and we believe it is critically important individuals with a genuine understanding of underlying agricultural commodity markets serve as the voice of the industry at the Commission.

Ms. Stump's extensive experience in agriculture, finance and policy make her eminently qualified to serve as a commissioner of the CFTC. Throughout her 20-year career in both the public and private sectors, she has built a reputation of integrity, collaboration, and pragmatism. Prior to founding Stump Strategic, a consulting firm, in 2016, Ms. Stump served as executive director of the Americas Advisory Board for the Futures Industry Association and as a vice president at NYSE Euronext. She also served the public sector in senior staff positions in both the U.S. Senate and House of Representatives. While working at the Senate Committee on Agriculture, Nutrition and Forestry, she managed issues pertaining to the oversight of the CFTC and the re-authorization of the Commodity Exchange Act. She also represented the Committee during negotiation of complex derivatives provisions in the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Mr. Behnam also has the experience and background that make him exceptionally qualified to serve on the Commission. He currently serves as Senior Counsel to the Senate Agriculture, Nutrition, and Forestry Committee, and has a strong background in agricultural policy as he has been an advisor to the Committee on policy and legislative issues since 2011. Specific to CFTC, Mr. Behnam has served as an advisor on all policy and legislative issues regarding the CFTC, including the Committee's current effort to reauthorize the Commodity Exchange Act. Many of our organizations and members have worked directly with Mr. Behnam during his tenure in an effort to get the rules right for agricultural end users as the Committee performed oversight of implementation of the Dodd-Frank Act. Given that interaction, it is clear that Mr. Behnam is well versed in the issues in the commodity markets, and the role of CFTC to ensure the integrity of those markets.

Now more than ever it is important to have strong advocates for agriculture at the CFTC. As CFTC's oversight responsibility and regulatory footprint has grown, the agricultural futures markets remain as vital and integral to our industry as they were before the financial innovation that led us to today's derivatives markets. If confirmed, Ms. Stump's and Mr. Behnam's technical expertise and fundamental knowledge of commodity markets will allow them to serve as invaluable assets in executing CFTC's core mission of regulating agricultural futures markets.

Given the vacancies that have existed for a number of years, we also consider it timely to have all five Commission seats filled. Therefore, we respectfully request the Senate confirm the nominees as soon as is practical to ensure a fully functional Commission moving forward. In addition to Ms. Stump and Mr. Behnam, this includes Brian Quintenz, who previously was favorably reported out of the Committee in 2016, and renominated in 2017. Given Mr. Quintenz's experience as a market participant, and his familiarity with CFTC rules and regulations, if confirmed, we believe he will be a strong addition to the Commission.

Thank you for your leadership and dedication to our nation's agricultural community. We look forward to working with you as the nominees move forward in the confirmation process.

Respectfully,

AMCOT
American Cotton Shippers Association
American Farm Bureau Federation
American Feed Industry Association
American Soybean Association
American Sugar Alliance
Commodity Markets Council
Farm Credit Council
National Association of Wheat Growers
National Cattlemen's Beef Association
National Corn Growers Association
National Cotton Council
National Council of Farmer Cooperatives
National Farmers Union
National Grain and Feed Association
National Milk Producers Federation
National Pork Producers Council
National Sorghum Producers
North American Millers' Association
Southwest Council of Agribusiness
Texas Cattle Feeders Association
U.S. Beet Sugar Association
United Egg Producers
US Rice Producers
USA Rice

cc: Majority Leader Mitch McConnell
Minority Leader Chuck Schumer
Members of the Senate Committee on Agriculture, Nutrition, and Forestry



July 25, 2017

Pat Roberts, Chairman
U.S. Senate Committee on Agriculture, Nutrition, & Forestry
109 Hart Senate Office Building
Washington, D.C. 20510

Debbie Stabenow, Ranking Member
U.S. Senate Committee on Agriculture, Nutrition, & Forestry
731 Hart Senate Office Building
Washington, D.C. 20510

Dear Chairman Roberts and Ranking Member Stabenow,

On behalf of the United States Cattlemen's Association (USCA), I write to you in support of the nominations of Rostin Behnam, Brian D. Quintenz, and Dawn DeBerry Stump to serve as commissioners for the Commodity Futures Trading Commission (CFTC).

With their expertise in the financial markets and previous tenures on Capitol Hill, USCA welcomes the nomination of these three individuals to the CFTC. The complexities of agricultural markets are well understood by each and they will serve as critical personnel in the goal of attaining reduced volatility in the cattle market.

USCA fully supports the nominations of Rostin Behnam, Brian D. Quintenz, and Dawn DeBerry to serve as commissioners for the CFTC and asks the Senate for a timely confirmation process.

If you have any questions regarding our support, please contact our Washington, D.C. office at (202) 546-4064.

Sincerely,

A handwritten signature in cursive script that reads "Kenny Graner".

Kenny Graner
President
U.S. Cattlemen's Association

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July 26, 2017

The Honorable Pat Roberts
Chairman
Senate Committee on Agriculture, Nutrition, and Forestry
328A Russell Senate Office Building
Washington, DC 20510

Dear Chairman Roberts:

Pursuant to the requirements of the Ethics in Government Act of 1978, as amended, and 5 C.F.R. 2634.606(a), I am hereby updating the information pertaining to outside earned income and honoraria received as reported in my Public Financial Disclosure Report (OGE Form 278e), signed on May 26, 2017.

Accordingly, please be advised that from May 26, 2017, to date, I have not received outside earned income or honoraria of any amount. I have no other covered income to report.

Thank you for your consideration of this correspondence.

Sincerely,



Rostin Behnam

Cc: The Honorable Debbie Stabenow, Ranking Member

July 27, 2017

The Honorable Pat Roberts
Chairman
Committee on Agriculture, Nutrition, and Forestry
United States Senate
Washington, DC 20510

The Honorable Debbie Stabenow
Ranking Member
Committee on Agriculture, Nutrition, and Forestry
United States Senate
Washington, DC 20510

Dear Chairman Roberts and Ranking Member Stabenow:

As requested by Committee staff I am providing answers to the following questions to clarify and update responses to my Core Questionnaire submitted on July 14, 2017:

Questionnaire #3 (A):

Since March, 2014, I have not had any affiliation, professional or otherwise, with Lakeshore Express.

Question #6(B):

On November 5-6, 2012, I volunteered as a poll watcher and was in the legal boiler room for Organizing for America – Michigan / Barack Obama. On November 8, 2016, I volunteered as a poll watcher for Victory Counsel / Hillary Clinton.

If you have any additional questions, please do not hesitate to contact me at (201) 925-4494 or Charlie Thornton, Director of Legislative Affairs at (202) 418-5145.

Sincerely,



Rostin Behnam

Cc: The Honorable Debbie Stabenow, Ranking Member
United States Senate Committee on Agriculture, Nutrition, and Forestry

July 10, 2017

Daniel J. Davis
General Counsel and
Designated Agency Ethics Official
Office of the General Counsel
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Dear Mr. Davis:

The purpose of this letter is to describe the steps that I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Commissioner for the Commodity Futures Trading Commission ("CFTC").

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter in which I know that I have a financial interest directly and predictably affected by the matter, or in which I know that a person whose interests are imputed to me has a financial interest directly and predictably affected by the matter, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that the interests of the following persons are imputed to me: any spouse or minor child of mine; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

As required by 7 U.S.C. § 2(a)(8), I understand that, when I am appointed a Commissioner of the CFTC, I will be prohibited during my term from employment with any entity subject to regulation by the CFTC, and I will also be prohibited from participating, directly or indirectly, in any registered entity operations or transactions of a character subject to regulation by the CFTC. Further, I understand that, if I am confirmed as Commissioner of the CFTC, I must comply with the requirements of 7 U.S.C. § 13(c) and (d), 5 C.F.R. § 5101.102, 17 C.F.R. § 140.735-2, and 17 C.F.R. § 140.735-2a.

My spouse is employed by PJPA, LLC, in a position for which she receives a fixed annual salary. For as long as my spouse continues to work for PJPA, LLC, I will not participate personally and substantially in any particular matter involving specific parties in which I know PJPA, LLC, is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

I will divest my interests in Chevron Corporation and ExxonMobil Corporation within 90 days of my confirmation. With regard to each of these entities, I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of the entity until I have divested it, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

I understand that I may be eligible to request a Certificate of Divestiture for qualifying assets and that a Certificate of Divestiture is effective only if obtained prior to divestiture. Regardless of whether I receive a Certificate of Divestiture, I will ensure that all divestitures discussed in this agreement occur within the agreed upon timeframes and that all proceeds are invested in non-conflicting assets.

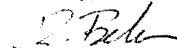
If I have a managed account or otherwise use the services of an investment professional during my appointment, I will ensure that the account manager or investment professional obtains my prior approval on a case-by-case basis for the purchase of any assets other than cash, cash equivalents, investment funds that qualify for the exemption at 5 C.F.R. § 2640.201(a), obligations of the United States, or municipal bonds.

I will meet in person with you during the first week of my service in the position of Commissioner in order to complete the initial ethics briefing required under 5 C.F.R. § 2638.305. Within 90 days of my confirmation, I will document my compliance with this ethics agreement by notifying you in writing when I have completed the steps described in this ethics agreement.

I understand that as an appointee I will be required to sign the Ethics Pledge (Exec. Order no. 13770) and that I will be bound by the requirements and restrictions therein in addition to the commitments I have made in this ethics agreement.

Finally, I have been advised that this ethics agreement will be posted publicly, consistent with 5 U.S.C. § 552, on the website of the U.S. Office of Government Ethics with ethics agreements of other Presidential nominees who file public financial disclosure reports.

Sincerely,



Rostin Behnam

**U.S. SENATE COMMITTEE ON AGRICULTURE, NUTRITION & FORESTRY
Questions for Executive Nominees
115th Congress**

1. Basic Biographical Information

Please provide the following information.

<i>Position to Which You Have Been Nominated</i>	
<u>Name of Position</u>	<u>Date of Nomination</u>
<u>Commissioner, Commodity Futures Trading Commission</u>	<u>July 13, 2017</u>

<i>Current Legal Name</i>			
<u>First Name</u>	<u>Middle Name</u>	<u>Last Name</u>	<u>Suffix</u>
Rostin		Behnam	

<i>Addresses</i>					
<u>Residential Address</u> (do not include street address)			<u>Office Address</u> (include street address)		
			Street: 328A Russell Senate Office Building		
City: Baltimore	State: MD	Zip: 21218	City: Washington	State: DC	Zip: 20510

<i>Other Names Used</i>						
<u>First Name</u>	<u>Middle Name</u>	<u>Last Name</u>	<u>Suffix</u>	<small>Check if Maiden Name</small>	<u>Name Used From</u> (Month/Year) (Check box if estimate)	<u>Name Used To</u> (Month/Year) (Check box if estimate)
					Est <input type="checkbox"/>	Est <input type="checkbox"/>
					Est <input type="checkbox"/>	Est <input type="checkbox"/>

<i>Birth Year and Place</i>	
Year of Birth (Do not include month and day.)	Place of Birth
1978	Stratford, NJ

<i>Marital Status</i>					
Check All That Describe Your Current Situation:					
Never Married	Married	Separated	Annulled	Divorced	Widowed
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<i>Spouse's Name</i> <i>(current spouse only)</i>			
Spouse's First Name	Spouse's Middle Name	Spouse's Last Name	Spouse's Suffix
Dinah	Halliday	Bengur	

<i>Spouse's Other Names Used</i> <i>(current spouse only)</i>						
First Name	Middle Name	Last Name	Suffix	Check if Maiden Name	Name Used From (Month/Year) (Check box if estimate)	Name Used To (Month/Year) (Check box if estimate)
					Est <input type="checkbox"/>	Est <input type="checkbox"/>
					Est <input type="checkbox"/>	Est <input type="checkbox"/>

<i>Children's Names (if over 18)</i>			
First Name	Middle Name	Last Name	Suffix

2. Education

List all post-secondary schools attended.

<u>Name of School</u>	<u>Type of School</u> (vocational/technical/trade school, college/university/military college, correspondence/distance/extension/online school)	<u>Date Began School</u> (month/year) (check box if estimate)	<u>Date Ended School</u> (month/year) (check box if estimate) (check "present" box if still in school)	<u>Degree</u>	<u>Date Awarded</u>
Syracuse University College of Law	University	8/2002 Est <input type="checkbox"/>	8/2005 Est <input type="checkbox"/> Present <input type="checkbox"/>	JD	5/2005
Georgetown University	University	8/1996 Est <input type="checkbox"/>	5/2000 Est <input type="checkbox"/> Present <input type="checkbox"/>	BA	5/2000
		Est <input type="checkbox"/>	Est <input type="checkbox"/> Present <input type="checkbox"/>		
		Est <input type="checkbox"/>	Est <input type="checkbox"/> Present <input type="checkbox"/>		

3. Employment

(A) List all of your employment activities, including unemployment and self-employment. If the employment activity was military duty, list separate employment activity periods to show each change of military duty station. Do not list employment before your 18th birthday unless to provide a minimum of two years of employment history.

Type of Employment (Active Military Duty Station, National Guard/Reserve, USPHS Commissioned Corps, Other Federal employment, State Government (Non-Federal Employment), Self-employment, Unemployment, Federal Contractor, Non-Government Employment (excluding self-employment), Other	Name of Your Employer/Assigned Duty Station	Most Recent Position Title/Rank	Location (City and State only)	Date Employment Began (month/year) (check box if estimate)		Date Employment Ended (month/year) (check box if estimate) (check "present" box if still employed)	
Federal Employment	U.S. Senate Committee on Agriculture, Nutrition & Forestry	Senior Counsel	Washington, D.C.	5/2011	Est <input type="checkbox"/>	Present	Est <input type="checkbox"/>
Non-government employment	Lakeshore Express Aviation	Co-Founder, Vice-President & General Counsel	Chicago, IL	8/2010	Est <input type="checkbox"/>	3/2014	Est <input type="checkbox"/>
Non-government employment	Gersten Savage LLP	Associate	New York, NY	3/2008	Est <input type="checkbox"/>	8/2010	Est <input type="checkbox"/>
State Government	Office of the New Jersey Attorney General, Bureau of Securities	Investigator	Newark, NJ	1/2006	Est <input type="checkbox"/>	2/2008	Est <input type="checkbox"/>
Federal Employment	Commodity Futures Trading Commission	Legal Intern	New York, NY	6/2004	Est <input type="checkbox"/>	8/2004	Est <input type="checkbox"/>
Federal Employment	Honorable John E. Sprizzo, U.S. Senior District Judge SDNY	Judicial Intern	New York, NY	6/2003		7/2003	
Non-government employment	Heartland Securities Corp	Equity Trader	New York, NY	9/2000		10/2001	

(B) List any advisory, consultative, honorary or other part-time service or positions with federal, state, or local governments, not listed elsewhere.

Name of Government Entity	Name of Position	Date Service Began (month/year) (check box if estimate)	Date Service Ended (month/year) (check box if estimate) (check "present" box if still serving)
----------------------------------	-------------------------	--	--

		Est <input type="checkbox"/>	Est <input type="checkbox"/>	Present <input type="checkbox"/>
		Est <input type="checkbox"/>	Est <input type="checkbox"/>	Present <input type="checkbox"/>
		Est <input type="checkbox"/>	Est <input type="checkbox"/>	Present <input type="checkbox"/>

4. Honors and Awards

List all scholarships, fellowships, honorary degrees, civilian service citations, military medals, academic or professional honors, honorary society memberships and any other special recognition for outstanding service or achievement.

5. Memberships

List all memberships that you have held in professional, social, business, fraternal, scholarly, civic, or charitable organizations in the last 10 years.

Unless relevant to your nomination, you do NOT need to include memberships in charitable organizations available to the public as a result of a tax deductible donation of \$1,000 or less, Parent-Teacher Associations or other organizations connected to schools attended by your children, athletic clubs or teams, automobile support organizations (such as AAA), discounts clubs (such as Groupon or Sam’s Club), or affinity memberships/consumer clubs (such as frequent flyer memberships).

<u>Name of Organization</u>	<u>Dates of Your Membership</u> (You may approximate.)	<u>Position(s) Held</u>
116 Club	May, 2015-Present	Member

6. Political Activity

(A) Have you ever been a candidate for or been elected or appointed to a political office?

No

<u>Name of Office</u>	<u>Elected/Appointed/ Candidate Only</u>	<u>Year(s) Election Held or Appointment Made</u>	<u>Term of Service (if applicable)</u>

(B) List any offices held in or services rendered to a political party or election committee during the last ten years that you have not listed elsewhere.

<u>Name of Party/Election Committee</u>	<u>Office/Services Rendered</u>	<u>Responsibilities</u>	<u>Dates of Service</u>

(C) Itemize all individual political contributions of \$200 or more that you have made in the past five years to any individual, campaign organization, political party, political action committee, or similar entity. Please list each individual contribution and not the total amount contributed to the person or entity during the year.

<u>Name of Recipient</u>	<u>Amount</u>	<u>Year of Contribution</u>
Hillary for America	250	2016
Hillary for America	250	2016
Hillary for America	500	2016
Hillary for America	250	2016
Hillary for America	250	2016
Hillary for America	250	2016
Hillary for America	250	2016
Hillary for America	250	2016
Hillary Victory Fund	500	2016
Hillary Victory Fund	500	2016
Hillary Victory Fund	200	2016
Hillary Victory Fund	300	2016
Hillary Victory Fund	400	2016

8. Lobbying

In the past ten years, have you registered as a lobbyist? If so, please indicate the state, federal, or local bodies with which you have registered (e.g., House, Senate, California Secretary of State).

No

UNITED STATES OFFICE OF
GOVERNMENT ETHICS



July 14, 2017

The Honorable Pat Roberts
Chairman
Committee on Agriculture, Nutrition,
and Forestry
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Rostin Behnam, who has been nominated by President Trump for the position of Commissioner, Commodity Futures Trading Commission.

We have reviewed the report and have obtained advice from the agency concerning any possible conflict in light of its functions and the nominee's proposed duties. Also enclosed is an ethics agreement outlining the actions that the nominee will undertake to avoid conflicts of interest. Unless a date for compliance is indicated in the ethics agreement, the nominee must fully comply within three months of confirmation with any action specified in the ethics agreement.

Based thereon, we believe that this nominee is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

DAVID APOL

Digitally signed by DAVID APOL
DN: cn=US, o=U.S. Government, ou=Office of
Government Ethics, email=DAVID.APOL,
c=US, postalCode=20540, st=DC, serial=1455113, givenName=David,
sn=APOL

David J. Apol
General Counsel

Enclosures



Executive Branch Personnel
Public Financial Disclosure Report (OGE Form 278e)

Filer's Information

Behnam, Rostin

Commissioner, Commodity Futures Trading Commission

Other Federal Government Positions Held During the Preceding 12 Months:

Senior Counsel, U.S. Senate Committee on Agriculture, Nutrition, and Forestry (5/2011 - Present)

Names of Congressional Committees Considering Nomination:

- **Committee on Agriculture, Nutrition, and Forestry**

Electronic Signature - I certify that the statements I have made in this form are true, complete and correct to the best of my knowledge.

/s/ Behnam, Rostin [electronically signed on 05/26/2017 by Behnam, Rostin in Integrity.gov]

Agency Ethics Official's Opinion - On the basis of information contained in this report, I conclude that the filer is in compliance with applicable laws and regulations (subject to any comments below).

/s/ Davis, Daniel J, Certifying Official [electronically signed on 07/14/2017 by Davis, Daniel J in Integrity.gov]

Other review conducted by

U.S. Office of Government Ethics Certification

/s/ Apol, David, Certifying Official [electronically signed on 07/14/2017 by Apol, David in Integrity.gov]

1. Filer's Positions Held Outside United States Government

None

2. Filer's Employment Assets & Income and Retirement Accounts

#	DESCRIPTION	EIF	VALUE	INCOME TYPE	INCOME AMOUNT
1	SPDR S&P 500 ETF Trust (SPY)	Yes	\$15,001 - \$50,000		None (or less than \$201)
2	Powershares QQQ Trust, Series 1 ETF (QQQ)	Yes	\$1,001 - \$15,000		None (or less than \$201)

3. Filer's Employment Agreements and Arrangements

None

4. Filer's Sources of Compensation Exceeding \$5,000 in a Year

None

5. Spouse's Employment Assets & Income and Retirement Accounts

#	DESCRIPTION	EIF	VALUE	INCOME TYPE	INCOME AMOUNT
1	The Economist Group (Multimedia Company Consulting)	N/A		Consulting Fees	
2	The World Bank Group	N/A		Salary	
3	PIPA, LLC (Restaurant Franchise Management Company)	N/A		Salary	

#	DESCRIPTION	EIF	VALUE	INCOME TYPE	INCOME AMOUNT
4	Amgen Inc. - Common Stock (AMGN)	N/A	\$1,001 - \$15,000		None (or less than \$201)
5	Chubb Corp (Insurance Company)	N/A	\$1,001 - \$15,000		None (or less than \$201)
6	Cisco Systems, Inc. - Common Stock (CSCO)	N/A	\$1,001 - \$15,000		None (or less than \$201)
7	Coca-Cola Bottling Co, Consolidated - Common Stock (COKE)	N/A	\$1,001 - \$15,000		None (or less than \$201)
8	Crown Castle Intl Corp (Real Estate Company)	N/A	\$1,001 - \$15,000		None (or less than \$201)
9	Danaher Corp (DHR)	N/A	\$1,001 - \$15,000		None (or less than \$201)
10	Diageo plc (ADR) (DEO)	N/A	\$1,001 - \$15,000		None (or less than \$201)
11	Facebook, Inc. - Class A Common Stock (FB)	N/A	\$1,001 - \$15,000		None (or less than \$201)
12	Johnson Controls International (Technology Company)	N/A	\$1,001 - \$15,000		None (or less than \$201)
13	Lockheed Martin (LMT)	N/A	\$1,001 - \$15,000		None (or less than \$201)
14	NIKE Inc B (NKE)	N/A	\$1,001 - \$15,000		None (or less than \$201)
15	Thermo Fisher Scientific (TMO)	N/A	\$1,001 - \$15,000		None (or less than \$201)
16	Wal-Mart Stores (WMT)	N/A	\$1,001 - \$15,000		None (or less than \$201)
17	Walgreens Boots RG (WBA)	N/A	\$1,001 - \$15,000		None (or less than \$201)
18	Walt Disney Co (DIS)	N/A	\$1,001 - \$15,000		None (or less than \$201)
19	Western Digital Corp (WDC)	N/A	\$1,001 - \$15,000		None (or less than \$201)

#	DESCRIPTION	EIF	VALUE	INCOME TYPE	INCOME AMOUNT
20	Yum! Brands Inc (YUM)	N/A	\$1,001 - \$15,000		None (or less than \$201)
21	Doubleline Opportunistic Credit Fund Common Stock (DBL)	Yes	\$1,001 - \$15,000		None (or less than \$201)
22	International Business Machines (IBM)	N/A	\$1,001 - \$15,000		None (or less than \$201)
23	Celgene Corporation - Common Stock (CELG)	N/A	\$1,001 - \$15,000		None (or less than \$201)
24	Costco Wholesale Corp (COST)	N/A	\$1,001 - \$15,000		None (or less than \$201)
25	Goldman Sachs Group Inc (GS) Sold subsequent to date of report.	N/A	\$1,001 - \$15,000		None (or less than \$201)
26	Marriott Intl Inc (MAR)	N/A	\$1,001 - \$15,000		None (or less than \$201)
27	SAP SE Spon ADR (SAP)	N/A	\$1,001 - \$15,000		None (or less than \$201)
28	Union Pacific Corp (UNP)	N/A	\$1,001 - \$15,000		None (or less than \$201)
29	Workday, Inc. (WDAY)	N/A	\$1,001 - \$15,000		None (or less than \$201)
30	Adobe Systems Incorporated - Common Stock (ADBE)	N/A	\$1,001 - \$15,000		None (or less than \$201)
31	Atlassian Corporation Plc (TEAM)	N/A	\$1,001 - \$15,000		None (or less than \$201)
32	Jazz Pharmaceuticals plc - Ordinary Shares	N/A	\$1,001 - \$15,000		None (or less than \$201)
33	Rockwell Collins, Inc. (COL)	N/A	\$1,001 - \$15,000		None (or less than \$201)
34	United Parcel Service Inc B (UPS)	N/A	\$1,001 - \$15,000		None (or less than \$201)
35	Weatherford International plc (Oilfield Service)	N/A	\$1,001 - \$15,000		None (or less than \$201)

#	DESCRIPTION	EIF	VALUE	INCOME TYPE	INCOME AMOUNT
36	Twilio Inc. (TWLO)	N/A	\$1,001 - \$15,000		None (or less than \$201)
37	Western Asset High Income Opportunity Fund Inc. (HIO)	Yes	\$1,001 - \$15,000		None (or less than \$201)
38	Cognizant Tech Solutions (COZ)	N/A	\$1,001 - \$15,000		None (or less than \$201)
39	Alphabet Inc. (GOOG)	N/A	\$1,001 - \$15,000		None (or less than \$201)
40	American Tower Corp A (AMT)	N/A	\$1,001 - \$15,000		None (or less than \$201)
41	Apple Inc. (AAPL)	N/A	\$1,001 - \$15,000		None (or less than \$201)
42	Becton Dickinson & Co (BDX)	N/A	\$1,001 - \$15,000		None (or less than \$201)
43	Charter Communications Inc (CHTR)	N/A	\$1,001 - \$15,000		None (or less than \$201)
44	Guidewire Software, Inc. (GWRE)	N/A	\$1,001 - \$15,000		None (or less than \$201)
45	Intel Corporation (INTC)	N/A	\$1,001 - \$15,000		None (or less than \$201)
46	JP Morgan Chase & Co (JPM) (Sold subsequent to date of report.)	N/A	\$1,001 - \$15,000		None (or less than \$201)
47	Merck & Co Inc (MRK)	N/A	\$1,001 - \$15,000		None (or less than \$201)
48	Raytheon Company (RTN)	N/A	\$1,001 - \$15,000		None (or less than \$201)
49	Dick's Sporting Goods, Inc. (DKS)	N/A	\$1,001 - \$15,000		None (or less than \$201)
50	PPG Industries Inc (PPG)	N/A	\$1,001 - \$15,000		None (or less than \$201)

6. Other Assets and Income

#	DESCRIPTION	EIF	VALUE	INCOME TYPE	INCOME AMOUNT
1	Toll Brothers (TOL)	N/A	\$1,001 - \$15,000		None (or less than \$201)
2	Chevron Corp (CVX)	N/A	\$15,001 - \$50,000	Dividends Capital Gains	\$5,001 - \$15,000
3	Exxon Mobil Corp (XOM)	N/A	None (or less than \$1,001)	Capital Gains	\$2,501 - \$5,000
4	Costco Wholesale Corp (COST)	N/A	\$1,001 - \$15,000		None (or less than \$201)
5	Fortune Brands Home & Security Inc (FBHS)	N/A	\$1,001 - \$15,000		None (or less than \$201)
6	Abbot Laboratories (ABT)	N/A	\$1,001 - \$15,000		None (or less than \$201)
7	Abbvie Inc (ABBV)	N/A	\$1,001 - \$15,000	Dividends	\$201 - \$1,000
8	International Flavors & Fragrances Inc (IFF)	N/A	\$1,001 - \$15,000		None (or less than \$201)
9	Johnson & Johnson (JNJ)	N/A	\$1,001 - \$15,000	Dividends	\$201 - \$1,000
10	Eli Lilly and Co (LLY)	N/A	\$1,001 - \$15,000		None (or less than \$201)
11	Lockheed Martin (LMT)	N/A	\$1,001 - \$15,000		None (or less than \$201)
12	Microsoft Corp (MSFT)	N/A	\$1,001 - \$15,000		None (or less than \$201)
13	PepsiCo Inc (PEP)	N/A	\$1,001 - \$15,000	Dividends	\$201 - \$1,000
14	Procter & Gamble (PG)	N/A	\$1,001 - \$15,000		None (or less than \$201)
15	Wal-Mart Stores (WMT)	N/A	\$1,001 - \$15,000		None (or less than \$201)
16	Western Digital Corp (WDC)	N/A	\$1,001 - \$15,000		None (or less than \$201)

#	DESCRIPTION	EIF	VALUE	INCOME TYPE	INCOME AMOUNT
17	3M Co (MMM)	N/A	\$1,001 - \$15,000	Dividends	\$201 - \$1,000
18	Banco Santander, S.A. (SAN) (Sold subsequent to date of report.)	N/A	\$1,001 - \$15,000		None (or less than \$201)
19	Guidewire Solutions, Inc. (GWRE)	N/A	\$1,001 - \$15,000		None (or less than \$201)
20	Goldman Sachs Group Inc (GS) (Sold subsequent to date of report.)	N/A	\$1,001 - \$15,000		None (or less than \$201)
21	Exxon Mobil Corp	N/A	\$1,001 - \$15,000		None (or less than \$201)
22	U.S. bank account #1 (cash)	N/A	\$50,001 - \$100,000	Interest	\$201 - \$1,000
23	U.S. bank account #2 (cash)	N/A	\$1,001 - \$15,000		None (or less than \$201)
24	U.S. bank account #3 (cash)	N/A	\$100,001 - \$250,000		None (or less than \$201)
25	Baltimore, MD Residential Rental Property	N/A	\$250,001 - \$500,000	Rent or Royalties	\$15,001 - \$50,000

7. Transactions

(N/A) - Not required for this type of report

8. Liabilities

#	CREDITOR NAME	TYPE	AMOUNT	YEAR INCURRED	RATE	TERM
1	Access Group, Inc.	Student Loan	\$15,001 - \$50,000	2005	2.875	No Term. Fixed monthly payments

#	CREDITOR NAME	TYPE	AMOUNT	YEAR INCURRED	RATE	TERM
2	PNC Bank	Mortgage (investment/rental property)	\$100,001 - \$250,000	2014	4.5	30 Years
3	First Home Mortgage	Mortgage on Personal Residence	\$250,001 - \$500,000	2016	3.50	30 Years

9. Gifts and Travel Reimbursements

(N/A) - Not required for this type of report

Endnotes

Summary of Contents

1. Filer's Positions Held Outside United States Government

Part 1 discloses positions that the filer held at any time during the reporting period (excluding positions with the United States Government). Positions are reportable even if the filer did not receive compensation.

This section does not include the following: (1) positions with religious, social, fraternal, or political organizations; (2) positions solely of an honorary nature; (3) positions held as part of the filer's official duties with the United States Government; (4) mere membership in an organization; and (5) passive investment interests as a limited partner or non-managing member of a limited liability company.

2. Filer's Employment Assets & Income and Retirement Accounts

Part 2 discloses the following:

- Sources of earned and other non-investment income of the filer totaling more than \$200 during the reporting period (e.g., salary, fees, partnership share, honoraria, scholarships, and prizes)
- Assets related to the filer's business, employment, or other income-generating activities that (1) ended the reporting period with a value greater than \$1,000 or (2) produced more than \$200 in income during the reporting period (e.g., equity in business or partnership, stock options, retirement plans/accounts and their underlying holdings as appropriate, deferred compensation, and intellectual property, such as book deals and patents)

This section does not include assets or income from United States Government employment or assets that were acquired separately from the filer's business, employment, or other income-generating activities (e.g., assets purchased through a brokerage account). Note: The type of income is not required if the amount of income is \$0 - \$200 or if the asset qualifies as an excepted investment fund (EIF).

3. Filer's Employment Agreements and Arrangements

Part 3 discloses agreements or arrangements that the filer had during the reporting period with an employer or former employer (except the United States Government), such as the following:

- Future employment
- Leave of absence
- Continuing payments from an employer, including severance and payments not yet received for previous work (excluding ordinary salary from a current employer)
- Continuing participation in an employee welfare, retirement, or other benefit plan, such as pensions or a deferred compensation plan
- Retention or disposition of employer-awarded equity, sharing in profits or carried interests (e.g., vested and unvested stock options, restricted stock, future share of a company's profits, etc.)

4. Filer's Sources of Compensation Exceeding \$5,000 in a Year

Part 4 discloses sources (except the United States Government) that paid more than \$5,000 in a calendar year for the filer's services during any year of the reporting period.

The filer discloses payments both from employers and from any clients to whom the filer personally provided services. The filer discloses a source even if the source made its payment to the filer's employer and not to the filer. The filer does not disclose a client's payment to the filer's employer if the filer did not provide the services for which the client is paying.

5. Spouse's Employment, Assets & Income and Retirement Accounts

Part 5 discloses the following:

- Sources of earned income (excluding honoraria) for the filer's spouse totaling more than \$1,000 during the reporting period (e.g., salary, consulting fees, and partnership share)
- Sources of honoraria for the filer's spouse greater than \$200 during the reporting period
- Assets related to the filer's spouse's employment, business activities, other income-generating activities that (1) ended the reporting period with a value greater than \$1,000 or (2) produced more than \$200 in income during the reporting period (e.g., equity in business or partnership, stock options, retirement plans/accounts and their underlying holdings as appropriate, deferred compensation, and intellectual property, such as book deals and patents)

This section does not include assets or income from United States Government employment or assets that were acquired separately from the filer's spouse's business, employment, or other income-generating activities (e.g., assets purchased through a brokerage account). Note: The type of income is not required if the amount of income is \$0 - \$200 or if the asset qualifies as an excepted investment fund (EIF). Amounts of income are not required for a spouse's earned income (excluding honoraria).

6. Other Assets and Income

Part 6 discloses each asset, not already reported, that (1) ended the reporting period with a value greater than \$1,000 or (2) produced more than \$200 in investment income during the reporting period. For purposes of the value and income thresholds, the filer aggregates the filer's interests with those of the filer's spouse and dependent children.

This section does not include the following types of assets: (1) a personal residence (unless it was rented out during the reporting period); (2) income or retirement benefits associated with United States Government employment (e.g., Thrift Savings Plan); and (3) cash accounts (e.g., checking, savings, money market accounts) at a single financial institution with a value of \$5,000 or less (unless more than \$200 of income was produced). Additional exceptions apply. Note: The type of income is not required if the amount of income is \$0 - \$200 or if the asset qualifies as an excepted investment fund (EIF).

7. Transactions

Part 7 discloses purchases, sales, or exchanges of real property or securities in excess of \$1,000 made on behalf of the filer, the filer's spouse or dependent child during reporting period.

This section does not include transactions that concern the following: (1) a personal residence, unless rented out; (2) cash accounts (e.g., checking, savings, CDs, money market accounts) and money market mutual funds; (3) Treasury bills, bonds, and notes; and (4) holdings within a federal Thrift Savings Plan account. Additional exceptions apply.

8. Liabilities

Part 8 discloses liabilities over \$10,000 that the filer, the filer's spouse or dependent child owed at any time during the reporting period.

This section does not include the following types of liabilities: (1) mortgages on a personal residence, unless rented out (limitations apply for PAS filers); (2) loans secured by a personal motor vehicle, household furniture, or appliances; unless the loan exceeds the item's purchase price; and (3) revolving charge accounts, such as credit card balances, if the outstanding liability did not exceed \$10,000 at the end of the reporting period. Additional exceptions apply.

9. Gifts and Travel Reimbursements

This section discloses:

- Gifts totaling more than \$375 that the filer, the filer's spouse, and dependent children received from any one source during the reporting period.
- Travel reimbursements totaling more than \$375 that the filer, the filer's spouse, and dependent children received from any one source during the reporting period.

For purposes of this section, the filer need not aggregate any gift or travel reimbursement with a value of \$150 or less. Regardless of the value, this section does not include the following items: (1) anything received from relatives; (2) anything received from the United States Government or from the District of Columbia, state, or local governments; (3) bequests and other forms of inheritance; (4) gifts and travel reimbursements given to the filer's agency in connection with the filer's official travel; (5) gifts of hospitality (food, lodging, entertainment) at the donor's residence or personal premises; and (6) anything received by the filer's spouse or dependent children totally independent of their relationship to the filer. Additional exceptions apply.

Privacy Act Statement

Title I of the Ethics in Government Act of 1978, as amended (the Act), 5 U.S.C. app. § 101 et seq., as amended by the Stop Trading on Congressional Knowledge Act of 2012 (Pub. L. 112-105) (STOCK Act), and 5 C.F.R. Part 2634 of the U. S. Office of Government Ethics regulations require the reporting of this information. The primary use of the information on this report is for review by Government officials to determine compliance with applicable Federal laws and regulations. This report may also be disclosed upon request to any requesting person in accordance with sections 105 and 402(b)(1) of the Act or as otherwise authorized by law. You may inspect applications for public access of your own form upon request. Additional disclosures of the information on this report may be made: (1) to any requesting person, subject to the limitation contained in section 208(d)(1) of title 18, any determination granting an exemption pursuant to sections 208(b)(1) and 208(b)(3) of title 18; (2) to a Federal, State, or local law enforcement agency if the disclosing agency becomes aware of violations or potential violations of law or regulation; (3) to another Federal agency, court or party in a court or Federal administrative proceeding when the Government is a party or in order to comply with a judge-issued subpoena; (4) to a source when necessary to obtain information relevant to a conflict of interest investigation or determination; (5) to the National Archives and Records Administration or the General Services Administration in records management inspections; (6) to the Office of Management and Budget during legislative coordination on private relief legislation; (7) to the Department of Justice or in certain legal proceedings when the disclosing agency, an employee of the disclosing agency, or the United States is a party to litigation or has an interest in the litigation and the use of such records is deemed relevant and necessary to the litigation; (8) to reviewing officials in a new office, department or agency when an employee transfers or is detailed from one covered position to another; (9) to a Member of Congress or a congressional office in response to an inquiry made on behalf of an individual who is the subject of the record; (10) to contractors and other non-Government employees working on a contract, service or assignment for the Federal Government when necessary to accomplish a function related to an OGE Government-wide system of records; and (11) on the OGE Website and to any person, department or agency, any written ethics agreement filed with OGE by an individual nominated by the President to a position requiring Senate confirmation. See also the OGE/GOVT-1 executive branch-wide Privacy Act system of records.

Public Burden Information

This collection of information is estimated to take an average of three hours per response, including time for reviewing the instructions, gathering the data needed, and completing the form. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Program Counsel, U.S. Office of Government Ethics (OGE), Suite 500, 1201 New York Avenue, NW., Washington, DC 20005-3917.

Pursuant to the Paperwork Reduction Act, as amended, an agency may not conduct or sponsor, and no person is required to respond to, a collection of information unless it displays a currently valid OMB control number (that number, 3209-0001, is displayed here and at the top of the first page of this OGE Form 278e).

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July 26, 2017

The Honorable Pat Roberts
Chairman
Senate Committee on Agriculture, Nutrition, and Forestry
328A Russell Senate Office Building
Washington, DC 20510

Dear Chairman Roberts:

Pursuant to the requirements of the Ethics in Government Act of 1978, as amended, and 5 C.F.R. 2634.606(a), I am hereby updating the information pertaining to outside earned income and honoraria received as reported in my Public Financial Disclosure Report (OGE Form 278e), signed on April 13, 2017.

Accordingly, please be advised that from April 13, 2017, to date, I have received outside earned income of \$4,350. During that same period, I have not received honoraria of any amount. I have no other covered income to report.

Thank you for your consideration of this correspondence.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Quintenz", with a stylized flourish extending to the right.

Brian D. Quintenz

Cc: The Honorable Debbie Stabenow, Ranking Member

U.S. SENATE COMMITTEE ON AGRICULTURE, NUTRITION & FORESTRY
Questions for Executive Nominees
115th Congress

1. Basic Biographical Information

Please provide the following information.

<i>Position to Which You Have Been Nominated</i>	
<u>Name of Position</u>	<u>Date of Nomination</u>
<u>Commissioner, Commodity Futures Trading Commission</u>	<u>May 16, 2017</u>

<i>Current Legal Name</i>			
<u>First Name</u>	<u>Middle Name</u>	<u>Last Name</u>	<u>Suffix</u>
Brian	David	Quintenz	

<i>Addresses</i>					
<u>Residential Address</u> (do not include street address)			<u>Office Address</u> (include street address)		
			Street: 2907 Q Street, NW		
<u>City:</u> Washington	<u>State:</u> DC	<u>Zip:</u> 20007	<u>City:</u> Washington	<u>State:</u> DC	<u>Zip:</u> 20007

<i>Other Names Used</i>						
<u>First Name</u>	<u>Middle Name</u>	<u>Last Name</u>	<u>Suffix</u>	<small>Check if Maiden Name</small>	<u>Name Used From</u> (Month/Year) (Check box if estimate)	<u>Name Used To</u> (Month/Year) (Check box if estimate)
					Est <input type="checkbox"/>	Est <input type="checkbox"/>
					Est <input type="checkbox"/>	Est <input type="checkbox"/>

<i>Birth Year and Place</i>	
Year of Birth <small>(Do not include month and day.)</small>	Place of Birth
1977	Milwaukee, WI

<i>Marital Status</i>					
Check All That Describe Your Current Situation:					
Never Married <input type="checkbox"/>	Married <input type="checkbox"/>	Separated <input type="checkbox"/>	Annulled <input type="checkbox"/>	Divorced <input checked="" type="checkbox"/>	Widowed <input type="checkbox"/>

<i>Spouse's Name</i> <small>(current spouse only)</small>			
Spouse's First Name	Spouse's Middle Name	Spouse's Last Name	Spouse's Suffix

<i>Spouse's Other Names Used</i> <small>(current spouse only)</small>						
First Name	Middle Name	Last Name	Suffix	Check if Maiden Name	Name Used From <small>(Month/Year) (Check box if estimate)</small>	Name Used To <small>(Month/Year) (Check box if estimate)</small>
					Est <input type="checkbox"/>	Est <input type="checkbox"/>
					Est <input type="checkbox"/>	Est <input type="checkbox"/>

<i>Children's Names (if over 18)</i>			
First Name	Middle Name	Last Name	Suffix

2. Education

List all post-secondary schools attended.

Name of School	Type of School (vocational/technical/trade school, college/university/military college, correspondence/distance/extension/online school)	Date Began School (month/year) (check box if estimate)	Date Ended School (month/year) (check box if estimate) (check "present" box if still in school)	Degree	Date Awarded
Duke University	College	08/1995 Est <input type="checkbox"/>	05/1999 Est Present <input type="checkbox"/> <input type="checkbox"/>	Bachelors of Arts	05/1999
Georgetown University McDonough School of Business	University	08/2007 Est <input type="checkbox"/>	05/2009 Est Present <input type="checkbox"/> <input type="checkbox"/>	MBA	05/2009
		Est <input type="checkbox"/>	Est Present <input type="checkbox"/> <input type="checkbox"/>		
		Est <input type="checkbox"/>	Est Present <input type="checkbox"/> <input type="checkbox"/>		

3. Employment

(A) List all of your employment activities, including unemployment and self-employment. If the employment activity was military duty, list separate employment activity periods to show each change of military duty station. Do not list employment before your 18th birthday unless to provide a minimum of two years of employment history.

Type of Employment (Active Military Duty Station, National Guard/Reserve, USPHS Commissioned Corps, Other Federal employment, State Government (Non-Federal Employment), Self-employment, Unemployment, Federal Contractor, Non-Government Employment (excluding self-employment), Other	Name of Your Employer/Assigned Duty Station	Most Recent Position Title/Rank	Location (City and State only)	Date Employment Began (month/year) (check box if estimate)	Date Employment Ended (month/year) (check box if estimate) (check "present" box if still employed)
Unemployed				12/2016	Present
Self-Employment	Saeculum Capital Management LLC	Managing Principal	Washington, DC	11/2013 Est <input type="checkbox"/>	12/2016 Est <input type="checkbox"/>
Non-government employment	Rose International for Bank of America Merrill Lynch	Consultant	Bethesda, MD	06/2013 Est <input type="checkbox"/>	11/2013 Est <input type="checkbox"/>
Unemployed				06/2012 Est <input type="checkbox"/>	06/2013 Est <input type="checkbox"/>
Non-Government Employment	Hill-Townsend Capital LLC	Senior Investment Associate	Chevy Chase, MD	05/2009 Est <input type="checkbox"/>	06/2012 Est <input type="checkbox"/>
Student	Georgetown University McDonough School of Business	MBA Candidate	Washington, DC	08/2007 Est <input type="checkbox"/>	05/2009 Est <input type="checkbox"/>
Unemployed				06/2007	07/2007
Other Federal Employment	Congresswoman Deborah Pryce (OH-15)	Senior Legislative Aide	Washington, DC	03/2001	06/2007
Unemployment				01/2001	03/2001
Non-Government Employment	Kasich 2000	Director of Travel and Assistant to the Treasurer	Washington, DC and Columbus, OH	06/1999	01/2001

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(B) List any advisory, consultative, honorary or other part-time service or positions with federal, state, or local governments, not listed elsewhere.

<u>Name of Government Entity</u>	<u>Name of Position</u>	<u>Date Service Began</u> (month/year) (check box if estimate)	<u>Date Service Ended</u> (month/year) (check box if estimate) (check "present" box if still serving)
		Est <input type="checkbox"/>	Est Present <input type="checkbox"/> <input type="checkbox"/>
		Est <input type="checkbox"/>	Est Present <input type="checkbox"/> <input type="checkbox"/>
		Est <input type="checkbox"/>	Est Present <input type="checkbox"/> <input type="checkbox"/>

4. Honors and Awards

List all scholarships, fellowships, honorary degrees, civilian service citations, military medals, academic or professional honors, honorary society memberships and any other special recognition for outstanding service or achievement.

- Georgetown McDonough School of Business Merit Based Scholarship
- Beta Gamma Sigma Honors Society
- Duke University Magna Cum Laude
- Duke University Dean's List and Dean's List with Distinction, multiple semesters
- Duke University Highest Distinction in Public Policy Studies

5. Memberships

List all memberships that you have held in professional, social, business, fraternal, scholarly, civic, or charitable organizations in the last 10 years.

Unless relevant to your nomination, you do NOT need to include memberships in charitable organizations available to the public as a result of a tax deductible donation of \$1,000 or less, Parent-Teacher Associations or other organizations connected to schools attended by your children, athletic clubs or teams, automobile support organizations (such as AAA), discounts clubs (such as Groupon or Sam's Club), or affinity memberships/consumer clubs (such as frequent flyer memberships).

<u>Name of Organization</u>	<u>Dates of Your Membership</u> (You may approximate.)	<u>Position(s) Held</u>
Chartered Financial Analyst Society of Washington DC	June 2008 – present	Guest Member
Only Make Believe	2014 – present	Ambassador
Georgetown University McDonough School of Business MBA Alumni Advisory Committee	2014 – 2016	Executive Committee Member and Full Committee Member
The Golf Club	2006 – present	National Member
The Metropolitan Club of Washington D.C.	2015-present	Resident Member
National Futures Association	2013-2016	Member

6. Political Activity

(A) Have you ever been a candidate for or been elected or appointed to a political office?

<u>Name of Office</u>	<u>Elected/Appointed/ Candidate Only</u>	<u>Year(s) Election Held or Appointment Made</u>	<u>Term of Service (if applicable)</u>
N/A			

(B) List any offices held in or services rendered to a political party or election committee during the last ten years that you have not listed elsewhere.

<u>Name of Party/Election Committee</u>	<u>Office/Services Rendered</u>	<u>Responsibilities</u>	<u>Dates of Service</u>

(C) Itemize all individual political contributions of \$200 or more that you have made in the past five years to any individual, campaign organization, political party, political action committee, or similar entity. Please list each individual contribution and not the total amount contributed to the person or entity during the year.

<u>Name of Recipient</u>	<u>Amount</u>	<u>Year of Contribution</u>
Mitt Romney for President	\$500	2012
John Kasich for America	\$250	2016

7. Publications

List the titles, publishers and dates of books, articles, reports or other published materials that you have written, including articles published on the Internet.

<u>Title</u>	<u>Publisher</u>	<u>Date(s) of Publication</u>
None		

8. Lobbying

In the past ten years, have you registered as a lobbyist? If so, please indicate the state, federal, or local bodies with which you have registered (e.g., House, Senate, California Secretary of State).

No

May 11, 2017

Daniel J. Davis
General Counsel and
Designated Agency Ethics Official
Office of the General Counsel
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Dear Mr. Davis:

The purpose of this letter is to describe the steps that I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Commissioner for the Commodity Futures Trading Commission ("CFTC").

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter in which I know that I have a financial interest directly and predictably affected by the matter, or in which I know that a person whose interests are imputed to me has a financial interest directly and predictably affected by the matter, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that the interests of the following persons are imputed to me: any spouse or minor child of mine; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

Until December 14, 2016, I served as the Managing Member and Managing Principal of Saeculum Capital Management ("SCM"), LLC, a limited liability company. On December 14, 2016, SCM's registration as a member of the National Futures Association ("NFA") and as a registered commodity pool operator ("CPO") was withdrawn, and my registration as an Associated Person of SCM with regard to its status as a CPO was also withdrawn from the NFA. SCM was the sole general partner of Saeculum Capital Partners, LP ("SCP"). SCP was organized as a limited partnership which served as a pooled investment vehicle for a commodity pool and was registered as a commodity pool with NFA. Although I was not a limited partner of SCP, I served as the Managing Member of the general partner for SCM. SCM and SCP are currently in inactive status. I have already received all fees for services provided to SCM or its clients, and have received a payout of the carried interest attributable to me that SCM earned over the reporting period as the General Partner of SCP.

For a period of one year after completing the last of these steps, I will not participate personally in any particular matter involving specific parties in which I know a former client of SCM or investor in SCP is a party or represents a party, unless I am first authorized to participate pursuant to 5 C.F.R. § 2635.502(d). During my appointment as Commissioner, I will not provide any services to SCM or SCP except to the extent that I may need to comply with any requirements involving legal filings, taxes, fees, or similar matters related to maintaining SCM or SCP in an inactive status.

As required by 7 U.S.C. § 2(a)(8), I understand that, when I am appointed a Commissioner of the CFTC, I will be prohibited from employment with any entity subject to regulation by the CFTC, and I will also be prohibited from participating, directly or indirectly, in any registered entity operations or transactions of a character subject to regulation by the CFTC. Further, I understand that, if I am confirmed as Commissioner of the CFTC, I must comply with the requirements of 7 U.S.C. § 13(c) and (d), 5 C.F.R. § 5101.102, 17 C.F.R. § 140.735-2, and 17 C.F.R. § 140.735-a.

I will retain my position as a trustee of two trusts for my dependent children. I will not receive any fees for the services that I provide as a trustee during my appointment as Commissioner. I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of either of these trusts, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

Upon confirmation, I will resign from my positions with Charity House Calls and the Foundation for the Preservation of Historic Georgetown. For a period of one year after my resignation from a particular entity, I will not participate personally and substantially in any particular matter involving specific parties in which I know that that entity is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

If I have a managed account or otherwise use the services of an investment professional during my appointment, I will ensure that the account manager or investment professional obtains my prior approval on a case-by-case basis for the purchase of any assets other than cash, cash equivalents, investment funds that qualify for the exemption at 5 C.F.R. § 2640.201(a), obligations of the United States, or municipal bonds.

I will meet in person with you during the first week of my service in the position of Commissioner in order to complete the initial ethics briefing required under 5 C.F.R. § 2638.305. Within 90 days of my confirmation, I will document my compliance with this ethics agreement by notifying you in writing when I have completed the steps described in this ethics agreement.

I understand that as an appointee I will be required to sign the Ethics Pledge (Exec. Order no. 13770) and that I will be bound by the requirements and restrictions therein in addition to the commitments I have made in this ethics agreement.

Finally, I have been advised that this ethics agreement will be posted publicly, consistent with 5 U.S.C. § 552, on the website of the U.S. Office of Government Ethics with ethics agreements of other Presidential nominees who file public financial disclosure reports.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Quinlenn", written in a cursive style.

Brian D. Quinlenn

UNITED STATES OFFICE OF
GOVERNMENT ETHICS



May 18, 2017

The Honorable Pat Roberts
Chairman
Committee on Agriculture, Nutrition,
and Forestry
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Brian D. Quintenz, who has been nominated by President Trump for the position of Commissioner, Commodity Futures Trading Commission.

We have reviewed the report and have obtained advice from the agency concerning any possible conflict in light of its functions and the nominee's proposed duties. Also enclosed is an ethics agreement outlining the actions that the nominee will undertake to avoid conflicts of interest. Unless a date for compliance is indicated in the ethics agreement, the nominee must fully comply within three months of confirmation with any action specified in the ethics agreement.

Based thereon, we believe that this nominee is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

DAVID APOL

Digitally signed by DAVID APOL
DN: cn=DJ, o=U.S. Government, ou=Office of
Government Ethics, ou=DAVID APOL,
ou=2341, email=2341@11-65491802@1178
Date: 2017.05.18 14:07:27-0400

David J. Apol
General Counsel

Enclosures



Executive Branch Personnel Public Financial Disclosure Report (OGE Form 278e)

Filer's Information

Quintenz, Brian David

Commissioner, Commodity Futures Trading Commission

Other Federal Government Positions Held During the Preceding 12 Months:
None

Names of Congressional Committees Considering Nomination:

- Committee on Agriculture, Nutrition, and Forestry

Electronic Signature - I certify that the statements I have made in this form are true, complete and correct to the best of my knowledge.

/s/ Quintenz, Brian David [electronically signed on 04/13/2017 by Quintenz, Brian David in Integrity.gov]

Agency Ethics Official's Opinion - On the basis of information contained in this report, I conclude that the filer is in compliance with applicable laws and regulations (subject to any comments below).

/s/ Davis, Daniel J, Certifying Official [electronically signed on 05/18/2017 by Davis, Daniel J in Integrity.gov]

Other review conducted by

U.S. Office of Government Ethics Certification

/s/ Apol, David, Certifying Official [electronically signed on 05/18/2017 by Apol, David in Integrity.gov]

1. Filer's Positions Held Outside United States Government

#	ORGANIZATION NAME	CITY, STATE	ORGANIZATION TYPE	POSITION HELD	FROM	TO
1	Saeculum Capital Management LLC	Washington, District of Columbia	Commodity Pool Operator, CFTC/NFA registered	Founder, Managing Member, Associated person	10/2013	12/2016
2	Saeculum Capital Management LLC	Washington, District of Columbia	Registered Investment Advisor, DC and VA	Founder, Managing Principal, and Investment Adviser Representative	11/2013	12/2015
3	Saeculum Capital Partners, LP	Dover, Delaware	Commodity Pool	Managing Member of the General Partner	10/2013	12/2016
4	DC Trust #1	Washington, District of Columbia	Trust	Sole Trustee	8/2007	Present
5	DC Trust #2	Washington, District of Columbia	Trust	Sole Trustee	8/2009	Present
6	Foundation for the Preservation of Historic Georgetown	Washington, District of Columbia	Non-Profit	Trustee	10/2015	Present
7	Charity House Calls	Washington, District of Columbia	Non-Profit	Treasurer	2/2016	Present

2. Filer's Employment Assets & Income and Retirement Accounts

#	DESCRIPTION	EIF	VALUE	INCOME TYPE	INCOME AMOUNT
1	Saeculum Capital Management LLC	N/A		Salary	\$10,026

#	DESCRIPTION	EIF	VALUE	INCOME TYPE	INCOME AMOUNT
2	Schwab US Dividend Equity ETF (SCHD)	Yes	\$50,001 - \$100,000		\$1,001 - \$2,500
3	U.S. bank account #1 (cash)	N/A	\$50,001 - \$100,000		None (or less than \$201)
4	Wells Fargo Common Stock (WFC)	N/A	None (or less than \$1,001)	Capital Gains Dividends	\$5,001 - \$15,000
5	Deutsche Bank Common Stock (DB)	N/A	None (or less than \$1,001)	Capital Gains	\$5,001 - \$15,000

3. Filer's Employment Agreements and Arrangements

None

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4. Filer's Sources of Compensation Exceeding \$5,000 in a Year

#	SOURCE NAME	CITY, STATE	BRIEF DESCRIPTION OF DUTIES
1	Saeculum Capital Management LLC	Washington, District of Columbia	Managing Member and Managing Principal
2	Saeculum Capital Partners, LP (client of Saeculum Capital Management, LLC)	Washington, District of Columbia	Saeculum Capital Management LLC, of which I was the Managing Member and Managing Principal, was the sole General Partner of Saeculum Capital Partners, LP, which was a Commodity Pool.

5. Spouse's Employment Assets & Income and Retirement Accounts

None

6. Other Assets and Income

#	DESCRIPTION	EIF	VALUE	INCOME TYPE	INCOME AMOUNT
1	Basement Rental - Washington, D.C.	N/A	\$100,001 - \$250,000	Rent or Royalties	\$15,001 - \$50,000
2	Collectible Coins/precious metals	N/A	\$15,001 - \$50,000		None (or less than \$201)
3	Antiques - Maps, Atlases, books	N/A	\$250,001 - \$500,000		None (or less than \$201)
4	Art - paintings and photography	N/A	\$100,001 - \$250,000		None (or less than \$201)
5	DC Trust #1	N/A			
5.1	Federated Govt Obligations Fund Premier Shares (PRM)	Yes	\$15,001 - \$50,000		None (or less than \$201)
6	DC Trust #2	N/A			None (or less than \$201)
6.1	Federated Govt Obligations Fund Premier Shares (PRM)	Yes	\$50,001 - \$100,000		None (or less than \$201)
7	Northwestern Mutual, whole life insurance policy	N/A	\$500,001 - \$1,000,000	Dividends	\$2,501 - \$5,000
8	US bank account #2 (cash)	N/A	\$15,001 - \$50,000		None (or less than \$201)

7. Transactions

(N/A) - Not required for this type of report

8. Liabilities

None

9. Gifts and Travel Reimbursements

(N/A) - Not required for this type of report

Endnotes

Summary of Contents

1. Filer's Positions Held Outside United States Government

Part 1 discloses positions that the filer held at any time during the reporting period (excluding positions with the United States Government). Positions are reportable even if the filer did not receive compensation.

This section does not include the following: (1) positions with religious, social, fraternal, or political organizations; (2) positions solely of an honorary nature; (3) positions held as part of the filer's official duties with the United States Government; (4) mere membership in an organization; and (5) passive investment interests as a limited partner or non-managing member of a limited liability company.

2. Filer's Employment Assets & Income and Retirement Accounts

Part 2 discloses the following:

- Sources of earned and other non-investment income of the filer totaling more than \$200 during the reporting period (e.g., salary, fees, partnership share, honoraria, scholarships, and prizes)
- Assets related to the filer's business, employment, or other income-generating activities that (1) ended the reporting period with a value greater than \$1,000 or (2) produced more than \$200 in income during the reporting period (e.g., equity in business or partnership, stock options, retirement plans/accounts and their underlying holdings as appropriate, deferred compensation, and intellectual property, such as book deals and patents)

This section does not include assets or income from United States Government employment or assets that were acquired separately from the filer's business, employment, or other income-generating activities (e.g., assets purchased through a brokerage account). Note: The type of income is not required if the amount of income is \$0 - \$200 or if the asset qualifies as an excepted investment fund (EIF).

3. Filer's Employment Agreements and Arrangements

Part 3 discloses agreements or arrangements that the filer had during the reporting period with an employer or former employer (except the United States Government), such as the following:

- Future employment
- Leave of absence
- Continuing payments from an employer, including severance and payments not yet received for previous work (excluding ordinary salary from a current employer)
- Continuing participation in an employee welfare, retirement, or other benefit plan, such as pensions or a deferred compensation plan
- Retention or disposition of employer-awarded equity, sharing in profits or carried interests (e.g., vested and unvested stock options, restricted stock, future share of a company's profits, etc.)

4. Filer's Sources of Compensation Exceeding \$5,000 in a Year

Part 4 discloses sources (except the United States Government) that paid more than \$5,000 in a calendar year for the filer's services during any year of the reporting period.

The filer discloses payments both from employers and from any clients to whom the filer personally provided services. The filer discloses a source even if the source made its payment to the filer's employer and not to the filer. The filer does not disclose a client's payment to the filer's employer if the filer did not provide the services for which the client is paying.

5. Spouse's Employment Assets & Income and Retirement Accounts

Part 5 discloses the following:

- Sources of earned income (excluding honoraria) for the filer's spouse totaling more than \$1,000 during the reporting period (e.g., salary, consulting fees, and partnership share)
- Sources of honoraria for the filer's spouse greater than \$200 during the reporting period
- Assets related to the filer's spouse's employment, business activities, other income-generating activities that (1) ended the reporting period with a value greater than \$1,000 or (2) produced more than \$200 in income during the reporting period (e.g., equity in business or partnership, stock options, retirement plans/accounts and their underlying holdings as appropriate, deferred compensation, and intellectual property, such as book deals and patents)

This section does not include assets or income from United States Government employment or assets that were acquired separately from the filer's spouse's business, employment, or other income-generating activities (e.g., assets purchased through a brokerage account). Note: The type of income is not required if the amount of income is \$0 - \$200 or if the asset qualifies as an excepted investment fund (EIF). Amounts of income are not required for a spouse's earned income (excluding honoraria).

6. Other Assets and Income

Part 6 discloses each asset, not already reported, that (1) ended the reporting period with a value greater than \$1,000 or (2) produced more than \$200 in investment income during the reporting period. For purposes of the value and income thresholds, the filer aggregates the filer's interests with those of the filer's spouse and dependent children.

This section does not include the following types of assets: (1) a personal residence (unless it was rented out during the reporting period); (2) income or retirement benefits associated with United States Government employment (e.g., Thrift Savings Plan); and (3) cash accounts (e.g., checking, savings, money market accounts) at a single financial institution with a value of \$5,000 or less (unless more than \$200 of income was produced). Additional exceptions apply. Note: The type of income is not required if the amount of income is \$0 - \$200 or if the asset qualifies as an excepted investment fund (EIF).

7. Transactions

Part 7 discloses purchases, sales, or exchanges of real property or securities in excess of \$1,000 made on behalf of the filer, the filer's spouse or dependent child during reporting period.

This section does not include transactions that concern the following: (1) a personal residence, unless rented out; (2) cash accounts (e.g., checking, savings, CDs, money market accounts) and money market mutual funds; (3) Treasury bills, bonds, and notes; and (4) holdings within a federal Thrift Savings Plan account. Additional exceptions apply.

8. Liabilities

Part 8 discloses liabilities over \$10,000 that the filer, the filer's spouse or dependent child owed at any time during the reporting period.

This section does not include the following types of liabilities: (1) mortgages on a personal residence, unless rented out (limitations apply for PAS filers); (2) loans secured by a personal motor vehicle, household furniture, or appliances, unless the loan exceeds the item's purchase price; and (3) revolving charge accounts, such as credit card balances, if the outstanding liability did not exceed \$10,000 at the end of the reporting period. Additional exceptions apply.

9. Gifts and Travel Reimbursements

This section discloses:

- Gifts totaling more than \$375 that the filer, the filer's spouse, and dependent children received from any one source during the reporting period.
- Travel reimbursements totaling more than \$375 that the filer, the filer's spouse, and dependent children received from any one source during the reporting period.

For purposes of this section, the filer need not aggregate any gift or travel reimbursement with a value of \$150 or less. Regardless of the value, this section does not include the following items: (1) anything received from relatives; (2) anything received from the United States Government or from the District of Columbia, state, or local governments; (3) bequests and other forms of inheritance; (4) gifts and travel reimbursements given to the filer's agency in connection with the filer's official travel; (5) gifts of hospitality (food, lodging, entertainment) at the donor's residence or personal premises; and (6) anything received by the filer's spouse or dependent children totally independent of their relationship to the filer. Additional exceptions apply.

Privacy Act Statement

Title I of the Ethics in Government Act of 1978, as amended (the Act), 5 U.S.C. app. § 101 et. seq., as amended by the Stop Trading on Congressional Knowledge Act of 2012 (Pub. L. 112-105) (STOCK Act), and 5 C.F.R. Part 2634 of the U. S. Office of Government Ethics regulations require the reporting of this information. The primary use of the information on this report is for review by Government officials to determine compliance with applicable Federal laws and regulations. This report may also be disclosed upon request to any requesting person in accordance with sections 105 and 402(b)(1) of the Act or as otherwise authorized by law. You may inspect applications for public access of your own form upon request. Additional disclosures of the information on this report may be made: (1) to any requesting person, subject to the limitation contained in section 208(d)(1) of title 18, any determination granting an exemption pursuant to sections 208(b)(1) and 208(b)(3) of title 18; (2) to a Federal, State, or local law enforcement agency if the disclosing agency becomes aware of violations or potential violations of law or regulation; (3) to another Federal agency, court or party in a court or Federal administrative proceeding when the Government is a party or in order to comply with a judge-issued subpoena; (4) to a source when necessary to obtain information relevant to a conflict of interest investigation or determination; (5) to the National Archives and Records Administration or the General Services Administration in records management inspections; (6) to the Office of Management and Budget during legislative coordination on private relief legislation; (7) to the Department of Justice or in certain legal proceedings when the disclosing agency, an employee of the disclosing agency, or the United States is a party to litigation or has an interest in the litigation and the use of such records is deemed relevant and necessary to the litigation; (8) to reviewing officials in a new office, department or agency when an employee transfers or is detailed from one covered position to another; (9) to a Member of Congress or a congressional office in response to an inquiry made on behalf of an individual who is the subject of the record; (10) to contractors and other non-Government employees working on a contract, service or assignment for the Federal Government when necessary to accomplish a function related to an OGE Government-wide system of records; and (11) on the OGE Website and to any person, department or agency, any written ethics agreement filed with OGE by an individual nominated by the President to a position requiring Senate confirmation. See also the OGE/GOVT-1 executive branch-wide Privacy Act system of records.

Public Burden Information

This collection of information is estimated to take an average of three hours per response, including time for reviewing the instructions, gathering the data needed, and completing the form. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Program Counsel, U.S. Office of Government Ethics (OGE), Suite 500, 1201 New York Avenue, NW., Washington, DC 20005-3917.

Pursuant to the Paperwork Reduction Act, as amended, an agency may not conduct or sponsor, and no person is required to respond to, a collection of information unless it displays a currently valid OMB control number (that number, 3209-0001, is displayed here and at the top of the first page of this OGE Form 278e).

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July 26, 2017

The Honorable Pat Roberts
Chairman
Senate Committee on Agriculture, Nutrition, and Forestry
328A Russell Senate Office Building
Washington, DC 20510

Dear Chairman Roberts:

Pursuant to the requirements of the Ethics in Government Act of 1978, as amended, and 5 C.F.R. 2634.606(a), I am hereby updating the information pertaining to outside earned income and honoraria received as reported in my Public Financial Disclosure Report (OGE Form 278e), signed on May 8, 2017.

Accordingly, please be advised that from May 8, 2017, to date, I have received outside earned income of \$40,000. During that same period, I have not received honoraria of any amount. I have no other covered income to report.

Thank you for your consideration of this correspondence.

Sincerely,



Dawn D. Stump

Cc: The Honorable Debbie Stabenow, Ranking Member

U.S. SENATE COMMITTEE ON AGRICULTURE, NUTRITION & FORESTRY
Questions for Executive Nominees
115th Congress

1. Basic Biographical Information

Please provide the following information.

<i>Position to Which You Have Been Nominated</i>	
<u>Name of Position</u>	<u>Date of Nomination</u>
Commissioner, Commodity Futures Trading Commission	June 12, 2017

<i>Current Legal Name</i>			
<u>First Name</u>	<u>Middle Name</u>	<u>Last Name</u>	<u>Suffix</u>
Dawn	DeBerry	Stump	

<i>Addresses</i>					
<u>Residential Address</u> (do not include street address)			<u>Office Address</u> (include street address)		
			Street: (through June 30, 2017) 900 7 th Street, NW #750		
<u>City:</u> Alexandria	<u>State:</u> VA	<u>Zip:</u> 22302	<u>City:</u> Washington	<u>State:</u> DC	<u>Zip:</u> 20001

<i>Other Names Used</i>							
<u>First Name</u>	<u>Middle Name</u>	<u>Last Name</u>	<u>Suffix</u>	<u>Check if Maiden Name</u>	<u>Name Used From</u> (Month/Year) (Check box if estimate)	<u>Name Used To</u> (Month/Year) (Check box if estimate)	
Dawn	Brenae	DeBerry		X	9/1973 Est <input type="checkbox"/>	5/2003 Est <input type="checkbox"/>	
						Est <input type="checkbox"/>	Est <input type="checkbox"/>

<i>Birth Year and Place</i>	
Year of Birth (Do not include month and day.)	Place of Birth
1973	Dumas, Texas

<i>Marital Status</i>					
Check All That Describe Your Current Situation:					
Never Married	Married	Separated	Annulled	Divorced	Widowed
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<i>Spouse's Name</i> (current spouse only)			
<u>Spouse's First Name</u>	<u>Spouse's Middle Name</u>	<u>Spouse's Last Name</u>	<u>Spouse's Suffix</u>
Jeremy	Wayne	Stump	

<i>Spouse's Other Names Used</i> (current spouse only)						
<u>First Name</u>	<u>Middle Name</u>	<u>Last Name</u>	<u>Suffix</u>	<small>Check if Maiden Name</small>	<u>Name Used From</u> (Month/Year) (Check box if estimate)	<u>Name Used To</u> (Month/Year) (Check box if estimate)
					Est <input type="checkbox"/>	Est <input type="checkbox"/>
					Est <input type="checkbox"/>	Est <input type="checkbox"/>

<i>Children's Names (if over 18)</i>			
First Name	Middle Name	Last Name	Suffix

2. Education

List all post-secondary schools attended.

<u>Name of School</u>	<u>Type of School</u> (vocational/technical/trade school, college/university, military college, correspondence/distance/extension/online school)	<u>Date Began School</u> (month/year) (check box if estimate)		<u>Date Ended School</u> (month/year) (check box if estimate) (check "present" box if still in school)		<u>Degree</u>	<u>Date Awarded</u>
		Est <input type="checkbox"/>		Est <input type="checkbox"/>	Present <input type="checkbox"/>		
Texas Tech University	University	9/1992	<input type="checkbox"/>	5/1996	<input type="checkbox"/>	Bachelor of Science, Agriculture Economics	5/11/1996
			Est <input type="checkbox"/>		Est Present <input type="checkbox"/> <input type="checkbox"/>		
			Est <input type="checkbox"/>		Est Present <input type="checkbox"/> <input type="checkbox"/>		
			Est <input type="checkbox"/>		Est Present <input type="checkbox"/> <input type="checkbox"/>		

3. Employment

(A) List all of your employment activities, including unemployment and self-employment. If the employment activity was military duty, list separate employment activity periods to show each change of military duty station. Do not list employment before your 18th birthday unless to provide a minimum of two years of employment history.

Type of Employment (Active Military Duty Station, National Guard/Reserve, USPHS Commissioned Corps, Other Federal employment, State Government (Non-Federal Employment), Self-employment, Unemployment, Federal Contractor, Non-Government Employment (excluding self-employment), Other)	Name of Your Employer/Assigned Duty Station	Most Recent Position Title/Rank	Location (City and State only)	Date Employment Began (month/year) (check box if estimate)	Date Employment Ended (month/year) (check box if estimate) (check "present" box if still employed)
University Employee	Texas Agricultural Mediation Services	Student Assistant	Lubbock, TX	06/1993 <input type="checkbox"/> Est	05/1995 <input type="checkbox"/> Est
Non-Government Employment	Texas Wheat Producers Association	Communications Director	Amarillo, TX	06/1996 <input type="checkbox"/> Est	06/1997 <input type="checkbox"/> Est
Non-Government Employment	U.S. Wheat Associates	International Research and Market Analyst	Washington, DC	06/1997 <input type="checkbox"/> Est	06/1998 <input type="checkbox"/> Est
State Government	Texas Department of Agriculture	Coordinator for Federal Issues and Trade	Austin, TX	06/1998 <input type="checkbox"/> Est	08/1999 <input type="checkbox"/> Est
Federal Employment	United States Senate Senator Phil Gramm	Legislative Assistant	Washington, DC	08/1999 <input type="checkbox"/> Est	06/2001 <input type="checkbox"/> Est
Federal Employment	United States House of Representatives Committee on Agriculture	Professional Legislative Staff	Washington, DC	06/2001 <input type="checkbox"/> Est	03/2003 <input type="checkbox"/> Est
Federal Employment	United States Senate Committee on Agriculture, Nutrition and Forestry	Majority Professional Staff	Washington, DC	03/2003 <input type="checkbox"/> Est	02/2005 <input type="checkbox"/> Est
Non-Government Employment	Syngenta	Director, Government Relations	Washington, DC	02/2005 <input type="checkbox"/> Est	07/2006 <input type="checkbox"/> Est

Federal Employment	United States Senate Committee on Agriculture, Nutrition and Forestry	Majority and Minority Senior Professional Staff	Washington, DC	07/2006	Est <input type="checkbox"/>	09/2010	Est <input type="checkbox"/>
Non-Government Employment	NYSE Euronext	Vice President	Washington, DC	09/2010	Est <input type="checkbox"/>	09/2012	Est <input type="checkbox"/>
Non-Government Employment	Futures Industry Association	Executive Director, Americas Advisory Board	Washington, DC	09/2012	Est <input type="checkbox"/>	05/2016	Est <input type="checkbox"/>
Non-Government Employment	Stump Strategic	President	Washington, DC	06/2016	Est <input type="checkbox"/>	Present	Est <input type="checkbox"/>

(B) List any advisory, consultative, honorary or other part-time service or positions with federal, state, or local governments, not listed elsewhere.

<u>Name of Government Entity</u>	<u>Name of Position</u>	<u>Date Service Began</u> (month/year) (check box if estimate)	<u>Date Service Ended</u> (month/year) (check box if estimate) (check "present" box if still serving)
		Est <input type="checkbox"/>	Est <input type="checkbox"/> Present <input type="checkbox"/>
		Est <input type="checkbox"/>	Est <input type="checkbox"/> Present <input type="checkbox"/>
		Est <input type="checkbox"/>	Est <input type="checkbox"/> Present <input type="checkbox"/>

4. Honors and Awards

List all scholarships, fellowships, honorary degrees, civilian service citations, military medals, academic or professional honors, honorary society memberships and any other special recognition for outstanding service or achievement.

2017 Outstanding Alumni Award, Texas Tech University College of Agricultural Sciences and Natural Resources

Who's Who Among Students in American Universities and Colleges

Alpha Zeta Agricultural Honor Society

Alpha Lambda Delta National Honor Society

Lambda Sigma Honor Society

Phi Eta Sigma National Honor Society

Nollie G. Ellison High Freshman Award

Who's Who Among Freshman at Texas Tech University

Houston Livestock Show and Rodeo Scholarship Recipient

Texas Tech College of Agricultural Sciences and Natural Resources Scholarship Recipient

Marjorie Barnes Kappa Alpha Theta Leadership Scholarship Recipient

5. Memberships

List all memberships that you have held in professional, social, business, fraternal, scholarly, civic, or charitable organizations in the last 10 years.

Unless relevant to your nomination, you do NOT need to include memberships in charitable organizations available to the public as a result of a tax deductible donation of \$1,000 or less, Parent-Teacher Associations or other organizations connected to schools attended by your children, athletic clubs or teams, automobile support organizations (such as AAA), discounts clubs (such as Groupon or Sam's Club), or affinity memberships/consumer clubs (such as frequent flyer memberships).

<u>Name of Organization</u>	<u>Dates of Your Membership</u> (You may approximate.)	<u>Position(s) Held</u>
Army Navy Country Club	2011 - present	Member
Capitol Hill Club	2011 - present	Member
Texas Tech Alumni Association	Varied since graduation in 1996	Member and Past President of Washington, DC Chapter

6. Political Activity

(A) Have you ever been a candidate for or been elected or appointed to a political office?

NO

<u>Name of Office</u>	<u>Elected/Appointed/ Candidate Only</u>	<u>Year(s) Election Held or Appointment Made</u>	<u>Term of Service (if applicable)</u>

(B) List any offices held in or services rendered to a political party or election committee during the last ten years that you have not listed elsewhere.

<u>Name of Party/Election Committee</u>	<u>Office/Services Rendered</u>	<u>Responsibilities</u>	<u>Dates of Service</u>

(C) Itemize all individual political contributions of \$200 or more that you have made in the past five years to any individual, campaign organization, political party, political action committee, or similar entity. Please list each individual contribution and not the total amount contributed to the person or entity during the year.

<u>Name of Recipient</u>	<u>Amount</u>	<u>Year of Contribution</u>
Lucas for Congress	\$500	2017
Texans for Jodey Arrington	\$500	2016
Friends of John Thune	\$1500	2016
Marco Rubio for President	\$1700	2015
Futures Industry Political Action Committee	\$4200	2015
Marco Rubio for President	\$1000	2014
Rodney for Congress	\$250	2014
David Rouzer for Congress	\$500	2014
Futures Industry Political Action Committee	\$2700	2014
Conaway for Congress	\$500	2013
Chambliss for Senate	\$2500	2012

7. Publications

List the titles, publishers and dates of books, articles, reports or other published materials that you have written, including articles published on the Internet.

<u>Title</u>	<u>Publisher</u>	<u>Date(s) of Publication</u>
Three Things to Note	Blog Post – Stump Strategic	June 2016 – December 2016
2017 – The First 30 Days	Stump Strategic	January 2017
Commodity Futures Trading Commission Re-proposes Position Limit Rule	Stump Strategic via LinkedIn	December 2016
Part 1 The U.S. Election Has Concluded...Now What?	Stump Strategic via LinkedIn	November 2016
Part 2 The U.S. Election Has Concluded...Now What?	Stump Strategic via LinkedIn	November 2016
Physical Commodity Activities Challenged by U.S. Banking Regulations	Stump Strategic via LinkedIn	October 2016
The El Nino Weather Phenomenon	Farmer-Stockman Magazine Montana Wheat & Barley Committee	February 1998
Wheat Letter	U.S. Wheat Associates	Weekly (1997/1998)
Wheat News	Texas Wheat Producers Association	Quarterly (1996/1997)

8. Lobbying

In the past ten years, have you registered as a lobbyist? If so, please indicate the state, federal, or local bodies with which you have registered (e.g., House, Senate, California Secretary of State).

Yes, I was previously registered with the U.S. House of Representatives and the U.S. Senate as a lobbyist.

UNITED STATES OFFICE OF
GOVERNMENT ETHICS

June 15, 2017

The Honorable Pat Roberts
Chairman
Committee on Agriculture, Nutrition,
and Forestry
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Dawn DeBerry Stump, who has been nominated by President Trump for the position of Commissioner, Commodity Futures Trading Commission.

We have reviewed the report and have obtained advice from the agency concerning any possible conflict in light of its functions and the nominee's proposed duties. Also enclosed is an ethics agreement outlining the actions that the nominee will undertake to avoid conflicts of interest. Unless a date for compliance is indicated in the ethics agreement, the nominee must fully comply within three months of confirmation with any action specified in the ethics agreement.

Based thereon, we believe that this nominee is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

DAVID APOL

Digitally signed by DAVID APOL
DN: cn=D, o=U.S. Government, ou=Office of
Government Ethics, email=DAVID.APOL,
c=US, postalCode=20540, st=DC
Date: 2017.06.15 13:35:37 -0400

David J. Apol
General Counsel

Enclosures



July 27, 2017

The Honorable Pat Roberts
Chairman
Committee on Agriculture, Nutrition, and Forestry
United States Senate
Washington, DC 20510

The Honorable Debbie Stabenow
Ranking Member
Committee on Agriculture, Nutrition, and Forestry
United States Senate
Washington, DC 20510

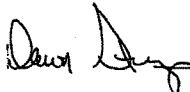
Dear Chairman Roberts and Ranking Member Stabenow:

As requested by Committee staff, I am providing the answers below to clarify and update responses to my Core Questionnaire submitted on June 13, 2017:

1) With regard to Question #6b of the *Core Questionnaire*, in late November and early December of 2008, I participated in two brief phone bank sessions for my then boss, Senate Agriculture Committee Ranking Member Saxby Chambliss during his election runoff campaign.

If you have any additional questions, please do not hesitate to contact me at (202) 320-9241, or Charlie Thornton, Director of Legislative Affairs at (202) 418-5145.

Sincerely,



Dawn D. Stump

Cc: The Honorable Debbie Stabenow, Ranking Member
United States Senate Committee on Agriculture, Nutrition, and Forestry

May 30, 2017

Daniel J. Davis
General Counsel and
Designated Agency Ethics Official
Office of the General Counsel
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Dear Mr. Davis:

The purpose of this letter is to describe the steps that I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Commissioner for the Commodity Futures Trading Commission ("CFTC").

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter in which I know that I have a financial interest directly and predictably affected by the matter, or in which I know that a person whose interests are imputed to me has a financial interest directly and predictably affected by the matter, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that the interests of the following persons are imputed to me: any spouse or minor child of mine; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

I am the sole owner of my consulting firm, which does business as Stump Strategic. Upon confirmation, my firm will cease engaging in any business, including providing consulting services to clients. During my appointment to the position of Commissioner, the firm will remain dormant and will not advertise. I will not perform any services for the firm, except that I will comply with any requirements involving legal filings, taxes and fees that are necessary to maintain the firm while it is in inactive status. Any amounts owed to me by any of my clients will be fixed before I assume the duties of the position of Commissioner, and I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of Stump Strategic. In addition, I will not participate personally and substantially in any particular matter involving specific parties in which I know a former client of mine is a party or represents a party, for a period of one year after I last provided service to that client, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

I expect to receive a final payment for services rendered through Stump Strategic from the Futures Industry Association – a former client. The payment is a contractually determined payment for past services and not subject to the client's discretion. I will forfeit any payment or portion of a payment that I have not received when I assume the duties of the position of Commissioner.

Upon confirmation, I will resign from my consulting position with Rodan & Fields, LLC. For a period of one year after my resignation, I will not participate personally and substantially in any particular matter involving specific parties in which I know Rodan & Fields, LLC, is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

As required by 7 U.S.C. § 2(a)(8), I understand that, when I am appointed a Commissioner of the CFTC, I will be prohibited during my term from employment with any entity subject to regulation by the CFTC, and I will also be prohibited from participating, directly or indirectly, in any registered entity operations or transactions of a character subject to regulation by the CFTC. Further, I understand that, if I am confirmed as Commissioner of the CFTC, I must comply with the requirements of 7 U.S.C. § 13(c) and (d), 5 C.F.R. § 5101.102, 17 C.F.R. § 140.735-2, and 17 C.F.R. § 140.735-2a.

My spouse is an employee of Monsanto Company, and he participates in the company's compensation incentive plan through which he holds common stock, unvested stock options, and restricted stock units. He does not hold vested stock options or restricted stock. I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of Monsanto Company unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1).

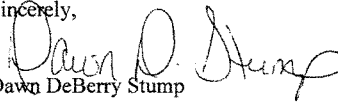
If I have a managed account or otherwise use the services of an investment professional during my appointment, I will ensure that the account manager or investment professional obtains my prior approval on a case-by-case basis for the purchase of any assets other than cash, cash equivalents, investment funds that qualify for the exemption at 5 C.F.R. § 2640.201(a), obligations of the United States, or municipal bonds.

I will meet in person with you during the first week of my service in the position of Commissioner in order to complete the initial ethics briefing required under 5 C.F.R. § 2638.305. Within 90 days of my confirmation, I will document my compliance with this ethics agreement by notifying you in writing when I have completed the steps described in this ethics agreement.

I understand that as an appointee I will be required to sign the Ethics Pledge (Exec. Order no. 13770) and that I will be bound by the requirements and restrictions therein in addition to the commitments I have made in this ethics agreement.

Finally, I have been advised that this ethics agreement will be posted publicly, consistent with 5 U.S.C. § 552, on the website of the U.S. Office of Government Ethics with ethics agreements of other Presidential nominees who file public financial disclosure reports.

Sincerely,


Dawn DeBerry Stump

Executive Branch Personnel Public Financial Disclosure Report (OGE Form 278e)

Filer's Information

Stump, Dawn DeBerry

Commissioner, Commodity Futures Trading Commission

Other Federal Government Positions Held During the Preceding 12 Months:
None

Names of Congressional Committees Considering Nomination:

- **Committee on Agriculture, Nutrition, and Forestry**

Electronic Signature - I certify that the statements I have made in this form are true, complete and correct to the best of my knowledge.

/s/ Stump, Dawn DeBerry [electronically signed on 05/08/2017 by Stump, Dawn DeBerry in Integrity.gov]

Agency Ethics Official's Opinion - On the basis of information contained in this report, I conclude that the filer is in compliance with applicable laws and regulations (subject to any comments below).

/s/ Davis, Daniel J, Certifying Official [electronically signed on 06/14/2017 by Davis, Daniel J in Integrity.gov]

Other review conducted by

U.S. Office of Government Ethics Certification

/s/ Apol, David, Certifying Official [electronically signed on 06/15/2017 by Apol, David in Integrity.gov]

1. Filer's Positions Held Outside United States Government

#	ORGANIZATION NAME	CITY, STATE	ORGANIZATION TYPE	POSITION HELD	FROM	TO
1	Stump Strategic	Washington, District of Columbia	Single Member LLC	President	6/2016	Present
2	Futures Industry Association	Washington, District of Columbia	Trade Association	Executive Director Americas Advisory Committee, Senior Vice President of U.S. Policy	9/2012	5/2016
3	Rodan & Fields, LLC	San Francisco, California	Corporation	Consultant	8/2015	Present

2. Filer's Employment Assets & Income and Retirement Accounts

#	DESCRIPTION	EIF	VALUE	INCOME TYPE	INCOME AMOUNT
1	Putnam Equity Income A Fund (PEYAX)	Yes	None (or less than \$1,001)		\$201 - \$1,000
2	MFS Value Fund Class I (MEIIX)	Yes	None (or less than \$1,001)		\$201 - \$1,000
3	American Funds: Capital World Growth & Income Fund Class F2 (WGIFX)	Yes	\$15,001 - \$50,000		\$201 - \$1,000
4	American Funds: Europacific Growth Fund Class F2 (AEPFX)	Yes	\$15,001 - \$50,000		None (or less than \$201)
5	American Funds: New Perspective Fund Class F2 (ANWFX)	Yes	\$15,001 - \$50,000		None (or less than \$201)
6	Dreyfus The Boston Company Small Mid Cap Growth I (SDSCX)	Yes	\$50,001 - \$100,000		None (or less than \$201)

#	DESCRIPTION	EIF	VALUE	INCOME TYPE	INCOME AMOUNT
7	Invesco Diversified Dividend Y (LCEYX)	Yes	\$50,001 - \$100,000		\$1,001 - \$2,500
8	American Funds: Growth Fund of America Class F2 (GFFFX)	Yes	\$50,001 - \$100,000		\$201 - \$1,000
9	Delaware Diversified Income Fund Class I (DPFFX)	Yes	\$50,001 - \$100,000		\$1,001 - \$2,500
10	Templeton Global Bond Adv (TGBAX)	Yes	\$15,001 - \$50,000		\$201 - \$1,000
11	First Trust Brookmont Equity Dividend Portfolio Series 10 (FMRHJX)	Yes	\$15,001 - \$50,000		\$201 - \$1,000
12	Stump Strategic (assists clients in navigating government relations and public affairs with particular focus on commodity and financial markets).	N/A	\$15,001 - \$50,000	Business Income	\$197,586
12.1	Account Receivable (Payment from FIA due June 2017)	N/A	\$15,001 - \$50,000		None (or less than \$201)
13	Futures Industries Association (FIA is a non-profit industry association focused on futures, options, and centrally cleared derivatives markets in the United States and abroad).	N/A		Salary/Bonus	\$198,902
14	Rodan & Fields, LLC (Skincare)	N/A		Consulting Fees	\$6,223

3. Filer's Employment Agreements and Arrangements

#	EMPLOYER OR PARTY	CITY, STATE	STATUS AND TERMS	DATE
1	Stump Strategic	Washington, District of Columbia	This LLC will be inactive during my appointment and all outstanding client fee arrangements will be received and accounts closed before I enter government service.	5/2016

4. Filer's Sources of Compensation Exceeding \$5,000 in a Year

#	SOURCE NAME	CITY, STATE	BRIEF DESCRIPTION OF DUTIES
1	Stump Strategic	Washington, District of Columbia	Managed day to day business operations, client engagement, and business marketing opportunities.
2	Futures Industry Association	Washington, District of Columbia	Managed regional advisory board, coalition building efforts, and strategic public policy engagement.
3	Futures Industry Association (client of Stump Strategic)	Washington, District of Columbia	Consultant

5. Spouse's Employment Assets & Income and Retirement Accounts

#	DESCRIPTION	EIF	VALUE	INCOME TYPE	INCOME AMOUNT
1	Monsanto Company	N/A		salary, bonus	
2	Monsanto Company unvested stock options (MON) (value not readily ascertainable) See Endnote	N/A			None (or less than \$201)
3	Monsanto Company (MON) Restricted Stock Units	N/A	\$100,001 - \$250,000		None (or less than \$201)
4	Monsanto Company (MON) Individual Investor Account: Monsanto Company (MON) common stock	N/A	\$15,001 - \$50,000		None (or less than \$201)
5	Monsanto 401K Plan	No			
5.1	Vanguard Target Retirement 2040 (VFORX)	Yes	\$50,001 - \$100,000		\$201 - \$1,000
5.2	Monsanto Company Employer Stock Fund (holds Monsanto stock only)	No	\$15,001 - \$50,000		None (or less than \$201)
5.3	Moderately Aggressive Portfolio (individual value and income amounts not readily ascertainable) (asset fully divested subsequent to date of filing)	No	\$100,001 - \$250,000		None (or less than \$201)

#	DESCRIPTION	EIF	VALUE	INCOME TYPE	INCOME AMOUNT
5.3.1	Bond Index Fund	No			
5.3.1.1	Northern Trust Aggregate Bond Index Fund	Yes			
5.3.2	U.S. Equity Index Fund	No			
5.3.2.1	Mellon Bank, N.A. EB Daily Liquidity Stock Index Fund	Yes			
5.3.3	Growth & Income Equity Fund	No			
5.3.4	Growth Equity Fund	No			
5.3.5	Value Equity Fund	No			
5.3.5.1	Northern Trust Daily Russell 1000 Value Equity Index Fund	Yes			
5.3.6	Small Cap Growth Equity Fund	No			
5.3.6.1	Northern Trust Daily Russell 2000 Growth Equity Index Fund	Yes			
5.3.7	Small Cap Value Equity Fund	No			
5.3.7.1	Northern Trust Daily Russell 2000 Value Equity Index Fund	Yes			
5.3.8	International Equity Fund	No			
6	Monsanto Company Pension Plan, defined benefit plan	N/A	\$100,001 - \$250,000		None (or less than \$201)
7	Dreyfus The Boston Company Small Mid Cap Growth I (SDSCX)	Yes	\$15,001 - \$50,000		None (or less than \$201)
8	Fidelity Advisor New Insights Fund Class I (FINSX)	Yes	\$15,001 - \$50,000		None (or less than \$201)
9	John Hancock Funds International Growth Fund CII (GOGIX)	Yes	\$15,001 - \$50,000		None (or less than \$201)
10	MFS Value Fund Class I (MEIIX)	Yes	\$15,001 - \$50,000		\$201 - \$1,000
11	American Funds: New World Fund Class F2 (NFFF)	Yes	\$1,001 - \$15,000		None (or less than \$201)

#	DESCRIPTION	EIF	VALUE	INCOME TYPE	INCOME AMOUNT
12	Delaware Diversified Income Fund Class I (DPFEX)	Yes	\$15,001 - \$50,000		\$1,001 - \$2,500
13	Monsanto Company (MON)	N/A	None (or less than \$1,001)	Capital Gains	\$50,001 - \$100,000
14	Templeton Global Bond Adv (TGBAX)	Yes	\$1,001 - \$15,000		\$1,001 - \$2,500
15	Principal FDS Inc. Global Diversified Income Fund Class P (PGDPX)	Yes	\$15,001 - \$50,000		\$201 - \$1,000

6. Other Assets and Income

#	DESCRIPTION	EIF	VALUE	INCOME TYPE	INCOME AMOUNT
1	College America Virginia 529 The Growth Fund of America - DC #1	Yes	\$15,001 - \$50,000		None (or less than \$201)
2	College America Virginia 529 The Growth Fund of America - DC #2	Yes	\$15,001 - \$50,000		None (or less than \$201)
3	U.S. bank account #1 (cash)	N/A	\$1,001 - \$15,000		None (or less than \$201)
4	U.S. bank account #2 (cash)	N/A	\$15,001 - \$50,000		None (or less than \$201)

7. Transactions

(N/A) - Not required for this type of report

8. Liabilities

#	CREDITOR NAME	TYPE	AMOUNT	YEAR INCURRED	RATE	TERM
1	Wells Fargo	Mortgage on Personal Residence	\$500,001 - \$1,000,000	2015	4%	25 years
2	Wells Fargo	Exercised Line of Credit	\$50,001 - \$100,000	2017	fixed portion 2.49% & variable portion prime + 0.375	20 years

9. Gifts and Travel Reimbursements

(N/A) - Not required for this type of report

Endnotes

PART	#	ENDNOTE
5.	2	(a) 217 Shares, strike price \$112.82, exp. 10/27/2024, option vests on 10/27/2017; (b) 540 Shares, strike price \$91.34, exp. 10/26/2025, option vests on 10/26/2018; (c) 247 Shares, strike price \$90.87, exp. 1/15/2026, option vests on 1/15/2019, and; (d) 170 Shares, strike price \$107.64, exp. 6/15/2026, option vests on 6/15/2019

Summary of Contents

1. Filer's Positions Held Outside United States Government

Part 1 discloses positions that the filer held at any time during the reporting period (excluding positions with the United States Government). Positions are reportable even if the filer did not receive compensation.

This section does not include the following: (1) positions with religious, social, fraternal, or political organizations; (2) positions solely of an honorary nature; (3) positions held as part of the filer's official duties with the United States Government; (4) mere membership in an organization; and (5) passive investment interests as a limited partner or non-managing member of a limited liability company.

2. Filer's Employment Assets & Income and Retirement Accounts

Part 2 discloses the following:

- Sources of earned and other non-investment income of the filer totaling more than \$200 during the reporting period (e.g., salary, fees, partnership share, honoraria, scholarships, and prizes)
- Assets related to the filer's business, employment, or other income-generating activities that (1) ended the reporting period with a value greater than \$1,000 or (2) produced more than \$200 in income during the reporting period (e.g., equity in business or partnership, stock options, retirement plans/accounts and their underlying holdings as appropriate, deferred compensation, and intellectual property, such as book deals and patents)

This section does not include assets or income from United States Government employment or assets that were acquired separately from the filer's business, employment, or other income-generating activities (e.g., assets purchased through a brokerage account). Note: The type of income is not required if the amount of income is \$0 - \$200 or if the asset qualifies as an exempt investment fund (EIF).

3. Filer's Employment Agreements and Arrangements

Part 3 discloses agreements or arrangements that the filer had during the reporting period with an employer or former employer (except the United States Government), such as the following:

- Future employment
- Leave of absence
- Continuing payments from an employer, including severance and payments not yet received for previous work (excluding ordinary salary from a current employer)
- Continuing participation in an employee welfare, retirement, or other benefit plan, such as pensions or a deferred compensation plan
- Retention or disposition of employer-awarded equity, sharing in profits or carried interests (e.g., vested and unvested stock options, restricted stock, future share of a company's profits, etc.)

4. Filer's Sources of Compensation Exceeding \$5,000 in a Year

Part 4 discloses sources (except the United States Government) that paid more than \$5,000 in a calendar year for the filer's services during any year of the reporting period.

The filer discloses payments both from employers and from any clients to whom the filer personally provided services. The filer discloses a source even if the source made its payment to the filer's employer and not to the filer. The filer does not disclose a client's payment to the filer's employer if the filer did not provide the services for which the client is paying.

5. Spouse's Employment Assets & Income and Retirement Accounts

Part 5 discloses the following:

- Sources of earned income (excluding honoraria) for the filer's spouse totaling more than \$1,000 during the reporting period (e.g., salary, consulting fees, and partnership share)
- Sources of honoraria for the filer's spouse greater than \$200 during the reporting period
- Assets related to the filer's spouse's employment, business activities, other income-generating activities that (1) ended the reporting period with a value greater than \$1,000 or (2) produced more than \$200 in income during the reporting period (e.g., equity in business or partnership, stock options, retirement plans/accounts and their underlying holdings as appropriate, deferred compensation, and intellectual property, such as book deals and patents)

This section does not include assets or income from United States Government employment or assets that were acquired separately from the filer's spouse's business, employment, or other income-generating activities (e.g., assets purchased through a brokerage account). Note: The type of income is not required if the amount of income is \$0 - \$200 or if the asset qualifies as an excepted investment fund (EIF). Amounts of income are not required for a spouse's earned income (excluding honoraria).

6. Other Assets and Income

Part 6 discloses each asset, not already reported, that (1) ended the reporting period with a value greater than \$1,000 or (2) produced more than \$200 in investment income during the reporting period. For purposes of the value and income thresholds, the filer aggregates the filer's interests with those of the filer's spouse and dependent children.

This section does not include the following types of assets: (1) a personal residence (unless it was rented out during the reporting period); (2) income or retirement benefits associated with United States Government employment (e.g., Thrift Savings Plan); and (3) cash accounts (e.g., checking, savings, money market accounts) at a single financial institution with a value of \$5,000 or less (unless more than \$200 of income was produced). Additional exceptions apply. Note: The type of income is not required if the amount of income is \$0 - \$200 or if the asset qualifies as an excepted investment fund (EIF).

7. Transactions

Part 7 discloses purchases, sales, or exchanges of real property or securities in excess of \$1,000 made on behalf of the filer, the filer's spouse or dependent child during reporting period.

This section does not include transactions that concern the following: (1) a personal residence, unless rented out; (2) cash accounts (e.g., checking, savings, CDs, money market accounts) and money market mutual funds; (3) Treasury bills, bonds, and notes; and (4) holdings within a Federal Thrift Savings Plan account. Additional exceptions apply.

8. Liabilities

Part 8 discloses liabilities over \$10,000 that the filer, the filer's spouse or dependent child owed at any time during the reporting period.

This section does not include the following types of liabilities: (1) mortgages on a personal residence, unless rented out (limitations apply for PAS filers); (2) loans secured by a personal motor vehicle, household furniture, or appliances, unless the loan exceeds the item's purchase price; and (3) revolving charge accounts, such as credit card balances, if the outstanding liability did not exceed \$10,000 at the end of the reporting period. Additional exceptions apply.

9. Gifts and Travel Reimbursements

This section discloses:

- Gifts totaling more than \$375 that the filer, the filer's spouse, and dependent children received from any one source during the reporting period.
- Travel reimbursements totaling more than \$375 that the filer, the filer's spouse, and dependent children received from any one source during the reporting period.

For purposes of this section, the filer need not aggregate any gift or travel reimbursement with a value of \$150 or less. Regardless of the value, this section does not include the following items: (1) anything received from relatives; (2) anything received from the United States Government or from the District of Columbia, state, or local governments; (3) bequests and other forms of inheritance; (4) gifts and travel reimbursements given to the filer's agency in connection with the filer's official travel; (5) gifts of hospitality (food, lodging, entertainment) at the donor's residence or personal premises; and (6) anything received by the filer's spouse or dependent children totally independent of their relationship to the filer. Additional exceptions apply.

Privacy Act Statement

Title I of the Ethics in Government Act of 1978, as amended (the Act), 5 U.S.C. app. § 101 et seq., as amended by the Stop Trading on Congressional Knowledge Act of 2012 (Pub. L. 112-105) (STOCK Act), and 5 C.F.R. Part 2634 of the U. S. Office of Government Ethics regulations require the reporting of this information. The primary use of the information on this report is for review by Government officials to determine compliance with applicable Federal laws and regulations. This report may also be disclosed upon request to any requesting person in accordance with sections 105 and 402(b)(1) of the Act or as otherwise authorized by law. You may inspect applications for public access of your own form upon request. Additional disclosures of the information on this report may be made: (1) to any requesting person, subject to the limitation contained in section 208(d)(1) of title 18, any determination granting an exemption pursuant to sections 208(b)(1) and 208(b)(3) of title 18; (2) to a Federal, State, or local law enforcement agency if the disclosing agency becomes aware of violations or potential violations of law or regulation; (3) to another Federal agency, court or party in a court or Federal administrative proceeding when the Government is a party or in order to comply with a judge-issued subpoena; (4) to a source when necessary to obtain information relevant to a conflict of interest investigation or determination; (5) to the National Archives and Records Administration or the General Services Administration in records management inspections; (6) to the Office of Management and Budget during legislative coordination on private relief legislation; (7) to the Department of Justice or in certain legal proceedings when the disclosing agency, an employee of the disclosing agency, or the United States is a party to litigation or has an interest in the litigation and the use of such records is deemed relevant and necessary to the litigation; (8) to reviewing officials in a new office, department or agency when an employee transfers or is detailed from one covered position to another; (9) to a Member of Congress or a congressional office in response to an inquiry made on behalf of an individual who is the subject of the record; (10) to contractors and other non-Government employees working on a contract, service or assignment for the Federal Government when necessary to accomplish a function related to an OGE Government-wide system of records; and (11) on the OGE Website and to any person, department or agency, any written ethics agreement filed with OGE by an individual nominated by the President to a position requiring Senate confirmation. See also the OGE/GOVT-1 executive branch-wide Privacy Act system of records.

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This collection of information is estimated to take an average of three hours per response, including time for reviewing the instructions, gathering the data needed, and completing the form. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Program Counsel, U.S. Office of Government Ethics (OGE), Suite 500, 1201 New York Avenue, NW., Washington, DC 20005-3917.

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QUESTIONS AND ANSWERS

JULY 27, 2017

Senate Committee on Agriculture, Nutrition, & Forestry
Hearing to consider the nominations of
Brian Quintenz, Dawn DeBerry Stump, and Rostin Behnam
To be Chairman of the Commodity Futures Trading Commission
June 27, 2017
Questions for the Record
Rostin Behnam

Chairman Roberts

- 1. I have stated many times in the past that we need more compliance options and lower costs for our “folks on the ground” who are trying to hedge their agriculture or commercial risk. They need to be able to focus on the business of what they do best for America. As the CFTC considers rules and regulations that could, or already have had a negative impact on our farmers, ranchers, and other end-users, can each of you please explain how you would address these concerns as a Commissioner?**

I believe the best approach to addressing market participant concerns, particularly concerns related to compliance options and lower costs, is maintaining an on-going, robust line of communication. If confirmed, I commit to working with both market participants and the Congress to ensure CFTC regulated markets are always working for stakeholders, with a specific focus on end-user’s ability to hedge their agriculture or commercial risk. If there are concerns brought to my attention, I also commit to working with my fellow Commissioners and the CFTC Chairman to ensure the concerns are addressed promptly, and within a manner that meets the CFTC’s mission.

- 2. Occasionally, the Committee hears rumblings about whether it makes sense from a budgeting perspective to combine the SEC and CFTC into one agency. Can you explain the unique role the CFTC retains as a regulator and how it oversees specific risk management tools important to agriculture end users. Further, can you speak to your view of how it is distinct, different, and better positioned to deal with risk management of commodities than an agency specializing in equities regulations?**

The CFTC has a unique history, once a sub-agency within the Department of Agriculture, its roots speak to the agency’s unique mission, and the very distinct and unique market it oversees, particularly when considered against the SEC’s mission. The explosive growth in financial futures and swaps has expanded the Commission’s oversight responsibilities; but, its core mission and expertise remain the same with these products. With decades of experience in overseeing and fostering open, transparent derivatives markets, intended to provide a price discovery and risk management tool for end-users and other market participants, the CFTC is best positioned to singularly and exclusively serve this marketplace and its stakeholders.

3. **In the wake of Brexit, there are various reports discussing the negative impacts that could result from requiring all euro-denominated derivative contracts be cleared in the EU, as opposed to London. Can you talk about what impact this fragmentation could have on the clearinghouse equivalence agreement?**

Regulatory harmonization is critical to a well-functioning financial market. Following Brexit, there are legitimate concerns regarding the shift of euro-denominated clearing from London to continental Europe, Asia, or even North America. The concern rests largely on the fact that the move may not result in a single jurisdiction clearing such products, resulting in fragmentation of the clearing market and ultimately greater margin costs to market participants. That said, I do not believe movement of the euro-denominated clearing will (or should) impact the existing equivalence agreement between the U.S. and EU regarding clearing, so long as EU member states continue to meet their obligations under the existing equivalence agreement.

4. **Please explain your views on the protection of intellectual property rights when it comes the source code of quant funds?**

It is my understanding that quant fund trading strategies, technical or fundamental, rely on unique source code underlying the programs. Consequently, I believe that source code should be considered intellectual property and subject to the highest levels of protection and security.

5. **I am concerned about protecting customer funds - the money our farmer co-ops often put up in my home state of Kansas while managing risk. What are your views about providing clearinghouses with the option to deposit these margin funds at the Federal Reserve, as is currently the practice for those clearinghouses deemed to be systemically important? Is this a policy which mitigates overall systemic risk?**

I believe that allowing systemically important clearinghouses with the option to deposit customer margin funds at the Federal Reserve provides a practical safety net for protecting customer funds, and furthers the core policy objective of reducing settlement risk and strengthening the settlement process, while limiting risk introduced by the clearinghouse to the Federal Reserve. That said, if confirmed, I commit to monitoring this authorization and practice to ensure that it continues to meet the highest standards of protecting customer property, and serves to mitigate systemic risk.

6. **In May, the CFTC established a new initiative called LabCFTC in an effort to promote innovation in FinTech. Can you discuss what role you believe the CFTC should play in both supporting this burgeoning industry, integrating it into the markets, but also providing appropriate oversight and regulation?**

I commend Acting Chairman Giancarlo for initiating LabCFTC. I believe that FinTech, although in an adolescent phase, will have a substantial role in financial markets and financial transactions in the near future. I believe the CFTC should actively monitor FinTech development by engaging stakeholders on their progress and development as a

means to ensure innovation remains robust; but also remains within the reasonable boundaries of the CFTC's core mission, specifically avoiding systemic risk, protecting market users, and preventing fraud, manipulation, and abusive practices.

7. The views of U.S. market participants and other external stakeholders are often not solicited or taken into consideration until proposed international standards are fairly well developed.

- **If confirmed, how will you ensure that relevant staff take the views and concerns of external stakeholders into consideration so that that domestic financial regulatory objectives can be identified prior to the development of international standards?**

If confirmed, I commit to working on a regular basis with all domestic and international stakeholders, the Congress, my fellow Commissioners, and relevant Commission personnel, to ensure that the staff implementing any standards are considering all substantive positions. I believe it's critical that all Commission staff foster an open dialogue to ensure that all viewpoints, concerns, and challenges are shared in such a manner that leads to the best regulatory outcome for stakeholders and consumers.

- **Further, how will you ensure that these international standards do not impose legal requirements on U.S. market participants in and of themselves without further transparent adoption by the relevant agencies?**

If confirmed, I commit to working with my fellow Commissioners, and to the extent appropriate, working with domestic and foreign counterparts, to ensure that international standards are fairly balanced, meet mutual goals of market transparency, and promote a robust market, without imposing undue legal requirements that curb market health.

Senator Daines

1) The CFTC hasn't been reauthorized since 2013 and I understand one of the main concerns was over funding levels. Are you at all concerned that you are seeking confirmation for an agency that hasn't been reauthorized for nearly the last four years by this Committee?

I am concerned that the Congress has not been able to reauthorize the CFTC. If confirmed, I commit to working with both Senate and House Agriculture Committees, and the Congress to provide any advice or counsel requested to facilitate a timely and effective reauthorization.

2) What funding level did you believe was appropriate for CFTC reauthorization? Can you provide a dollar figure?

If confirmed, I believe I can provide an exact funding level only after working with my fellow Commissioners and CFTC Chairman, to evaluate the CFTC's current budget as it relates to the Commission's current oversight responsibilities. That said, given the CFTC Title VII responsibilities, specifically oversight of the previously unregulated \$500 trillion in notional value swaps market, coupled with advancements in technology, I do not believe the funding increases the CFTC has received since the financial crisis in 2008 are commensurate with the Commission's new responsibilities. If confirmed, I commit to working with congressional authorizing and appropriating committees - if my advice and counsel can be of help - to properly fund the Commission.

Senator Stabenow

1) I look forward to having a close working relationship with you, if you are confirmed. The work in this very important area is truly a bipartisan effort. If confirmed, do you agree without reservation to:

- **Reply promptly to any request for information from me?**

Yes

- **Reply promptly to any request from other members of this Committee and other Senators?**

Yes

- **Respond to my requests for data and technical assistance in drafting legislation?**

Yes

2) It has been seven years since the passage of the historic Dodd-Frank Wall Street Reform and Consumer Protection Act. This important legislation has brought greater transparency to previously unregulated markets that caused the financial meltdown.

- **Will you commit to supporting Title VII of Dodd-Frank?**

Yes

- **Will you commit to not rolling back or weakening Title VII of Dodd-Frank?**

Yes

- 3) **CFTC currently has five advisory committees that exist to give input and make recommendations to the Commission on issues within CFTC's jurisdiction. The advisory committees play an important role in providing a channel for communication for stakeholders to the CFTC. If confirmed, as a Commissioner you would lead one of the advisory committees.**

- **What would be your priorities in leading an advisory committee?**

Ensuring the CFTC, through its rules and regulations, fulfills its mission within the specific substantive topic area of the advisory committee. Also, using the advisory committees as an opportunity to convene an open, public discussion, reflecting all points of view on relevant advisory committee matters.

- **Will you commit to ensuring that membership on the advisory committee to which you are assigned includes a diverse representation of stakeholders, including end-users and consumer groups?**

Yes

- **How will you work to build consensus among the members of your advisory committee?**

I will aim to build consensus by using my sponsorship of the advisory committee to convene all interested stakeholders, and supporting an open, transparent, thoughtful dialogue on matters before the advisory committee to ensure that all perspectives are heard and later reflected in any advisory committee recommendation.

- **How will you ensure any recommendations of the advisory committee is reflective of all members?**

Although I will aim to achieve unanimous support of the advisory committee's recommendations, through balanced, fair discussions, I cannot expect to meet this goal on every occasion. However, I can commit to ensuring that every advisory committee member has an opportunity to voice concerns, through a dissenting opinion, against any majority driven recommendation.

- **How will you ensure transparency in your advisory committee?**

I will support transparency by ensuring the charter reflects principles that support open dialogue and wide participation by all interested stakeholders.

- **Will you commit to providing my staff regular updates on activities of your advisory committee?**

Yes

4) During your nomination hearing you committed to working to promulgate a final position limits rule.

- **Will you make finalizing the position limits rule a priority?**

Yes

- **What is the timeline you would recommend for promulgating this final rule?**

As soon as possible after as many Commissioners are confirmed to meet CFTC quorum requirements, and with at least one Commissioner from each political party.

- **Will you commit to working to have the CFTC implement its own speculative limits and not simply outsourcing limits solely to exchanges and other self-regulatory organizations?**

Yes

5) What market oversight and personnel risks will the Commission face if its budget is not increased? If CFTC's budget is not sufficiently increased will you support regulatory fee for service?

I cannot speak at this time to the specific risks the Commission will face if its budget is not increased. If confirmed, however, I will work to see how the CFTC's budget is allocated and what flat funding will cause relative to the Commission's oversight responsibilities. Further, if the Congress determines that a user-fee is appropriate, I commit to working with the relevant Congressional committees to ensure the fee is crafted in a manner that preserves the CFTC's core mission.

- 6) Dodd-Frank included requirements for the creation of swap data repositories (SDRs) to provide central facilities for swap data reporting and recordkeeping - including for security-based swaps. Both the CFTC and the SEC have promulgated regulations to address these requirements, however differences exist. The CFTC's rules have already been implemented, but the SEC's rules have not yet been implemented. A complete picture of the swaps market requires transparency into the securities-based swaps market. As you work towards bringing greater transparency to the swaps market will you coordinate with the SEC to help ensure the rules work together?**

Yes, I commit to working with the SEC and any relevant stakeholders to ensure that the rules governing the SDR market are coordinated and working together.

- 7) The CFTC recently announced that it entered into non-prosecution agreements with three individuals who had traded for a private company. According to the CFTC in these agreements the individuals admitted they had engaged in spoofing – an unlawful trade practice. The agreements highlighted that the individuals had cooperated, accepted responsibility and helped with CFTC's investigation of their employer.**

- **In what situations do you believe non-prosecution agreements are appropriate?**

When the party who will benefit from the non-prosecution agrees to cooperate with the Commission in providing evidence and all necessary information to prosecute a different individual or entity in the same or related matter, and that would lead to remediation measures that lead to broader measures to promote market safety and transparency.

- **What criteria do you believe should be used to determine whether non-prosecution agreements are appropriate?**

- 1) Willingness of party to cooperate with the CFTC in providing all relevant information to prosecute a different individual or entity who participated in the unlawful activity;
- 2) Non-prosecuted parties role in the activity; and
- 3) Benefit to market safety and soundness of using the cooperating parties' information and knowledge to prosecute a separate party.

- **In what situations do you believe somebody who has engaged in unlawful conduct should not be prosecuted?**

I would consider supporting situations where non-prosecution of the individual or entity would lead to a quick and clear prosecution of another individual or entity that participated, endorsed, encouraged, permitted, or provided resources to the non-prosecuted individual or entity to engage in the unlawful activity, so long as pursuit of the prosecuted entity could lead to remediation measures that could lead to safer, more transparent markets.

8) Will you commit to protecting whistleblowers who identify problems with CFTC related issues? If yes, what specific measures will you take to ensure whistleblowers are protected?

Yes. I will ensure the CFTC rules and regulations protect whistleblowers, and work with my fellow Commissioners to propose changes that would provide any needed protections that do not already exist for them.

9) What will you do to ensure transparency in settlements in enforcement actions?

To the extent an enforcement case is not compromised by sharing information that is critical to completing an investigation and enforcement action, it is imperative that the Commission strive to enforce its rules and regulations in a transparent manner so that there is certainty the law is being enforced without prejudice or bias to any individual party. That said, if confirmed, I commit to working with my fellow Commissioners and the Division of Enforcement to ensure the division is upholding its critical responsibility in a fair, objective manner in order to keep regulated markets safe, transparent, and free from fraud and manipulation.

10) What is your approach to managing staff, and how has it developed in your previous management experiences?

I believe allowing staff to develop their own expertise, opinions, and strategies is critical to maintaining a balanced organization, which relies less on a hierarchical structure. I believe this strategy will best promote efficiency and regulatory certainty for stakeholders.

11) What actions in your past executive experiences demonstrate your style and approach in the area of labor-management relations?

My commitment to working with others regardless of viewpoint or ideology; and sharing ideas in a transparent, inclusive setting to ensure that broad participation, regardless of rank, is welcomed.

12) What do you believe CFTC can do to recruit and hire the personnel needed to achieve results?

Promote the dynamic, forward thinking nature of the CFTC's work and current personnel; and more importantly impart the importance of the agency's work in overseeing the derivatives markets, which plays a significant role in every American's life.

13) What role would you like to see unions play at CFTC, and what style or arrangements involving labor and management do you intend to foster? For example, will you foster labor-management partnerships at the CFTC or do you believe that other kinds of arrangements would be preferable? What steps would you take to achieve the kind of labor-management relationships you want?

To the extent I am responsible or can contribute as a Commissioner, to the management of broader CFTC staff, and specifically with respect to labor-management partnerships, I will advocate for balanced relationships, which encourage transparency, employee rights, diversity, inclusiveness, and equality.

14) The CFTC has important enforcement authority which should be carried out impartially. Both Republican and Democratic administrations have had written policies limiting White House contacts with agencies that have investigatory and enforcement responsibilities.

- **Do you agree that it is important to keep political influence out of CFTC decisions regarding investigations and enforcement, such as whether to launch an investigation, continue it, go forward with an enforcement action or close the matter?**

Yes

- **Will you commit to restricting communications between the CFTC and White House staff regarding specific investigations and enforcement matters?**

Yes

15) What is your general position towards the role of the CFTC versus self-regulatory organizations? Do you agree that the CFTC should have a more rules based, hands on approach to monitoring the market for function and bad actors?

Designated self-regulatory organizations (DSROs), like the National Futures Association and the registered exchanges play a vital role in implementing CFTC core principles, rules, and regulations. It is critical that the CFTC have a balanced relationship with DSROs, which prioritizes open communication to ensure that the regulated markets remain transparent, safe, robust, and free from fraud. I would support a more active, rules based approach on such matters if the CFTC determines that it is the best method to achieve these regulatory goals, specifically with a focus on meeting the CFTC's mission statement.

16) As you know, the CFTC is currently seeking to establish a regulatory framework overseeing automated trading, including oversight of individuals and market participants that utilize the technology in the marketplace. For obvious reasons, appropriate regulatory transparency can be used as a critical tool in enforcement actions seeking to stop market manipulation, and prevent future market disruptions like the 2010 and 2015 flash crashes.

- **If confirmed, what factors will you consider when determining the balance between regulatory access to information and data, possibly including source code and algorithms within the automated trading context, versus protecting the intellectual property of individuals and firms participating in the marketplace?**

When considering this delicate balance, I will consider the cost to market participants of sharing source code with the CFTC, versus the benefit to the Commission of having readily available access to this information, as a tool to stop fraud, market abuse, and manipulation. The Commission must prioritize the collection of data that has a clear purpose, and will provide the CFTC with information that can help it fulfill its mission. This goal must be carefully balanced with the important principle of balancing intellectual property rights, and undue burdens on market participants.

17) Risk and leverage associated with bilateral, over-the-counter swaps played a significant role in the financial crisis. Recognizing this, Congress mandated, among other things, central clearing of certain standardized swaps under Section 723 of the Dodd-Frank Act. Since 2010, the transition to mandatory clearing has been long and challenging; however, a majority of standardized swaps are now being cleared through registered derivatives clearing organizations (DCOs). Since this transition, there have been many discussions by policy makers, regulators, and market participants regarding the new risk profile of DCOs. Ultimately, the question has become, with the new mandate, have clearinghouses, and the market "plumbing" services they now provide, become too systemically risky. Another question that has arisen deals with which parties are responsible for ensuring that clearinghouses are properly capitalized in case of a market disruption.

- What role do you believe a clearinghouse plays vis a vis its clearing members in terms of responsibility for appropriate capital contributions as a measure to alleviate market stress during a bankruptcy, dissolution scenario, or capital shortfall?

There has been an explosive growth in central clearing since the financial crisis and Dodd-Frank. There is broad consensus that a few clearinghouses are now managing and mitigating a significant amount of global risk. That said, regulators and stakeholders must continue what has been a very robust dialogue regarding the risk and the fair participation of all stakeholders, specifically clearing members and the clearinghouses in managing the risk in a measured way that reflects each parties' role.

Senator Sherrod Brown

1) In 2016 the CFTC Energy and Environmental Markets Advisory Committee prepared a report that was later withdrawn. I am concerned that balanced viewpoints may not be represented on the EEMAC, or other committees.

If you are confirmed as a Commissioner, do you commit to maintaining balanced committee memberships and leading an inclusive, transparent, and cooperative process?

Yes

- 2) **The Commission recently launched a review of swap reporting rules to improve data quality and accuracy and to improve reporting processes.**

If you are confirmed as a Commissioner, will you work to make sure the review and rule proposals promote a broad, competitive market among swaps execution facilities, including across product markets?

Yes

- 3) **If confirmed, do you agree without reservation to**

- **Reply promptly to letters to the CFTC or requests for information from me and others member of the Committee and the Senate?**

Yes

Senator Gillibrand

- 1) **Do you agree that one of the best ways to protect taxpayers and the financial markets is to separate federally insured commercial banking activities from too-big-to-fail financial institutions, many of whom have complex financial products that may include derivatives dealings?**

The 2008 financial crisis exposed many regulatory weaknesses in the financial system, including the consequences of undercapitalized leverage and the risks of proprietary activities by federally insured commercial banks. I believe that the demands of a diversified, global economy include services that reach across a broad geographic landscape. That said, modern banking needs must be coupled with a strong, robust, and modern regulatory framework that balances the needs of global business with sound risk management and consideration of a fair separation of commercial banking activities from investment banking and proprietary trading. I believe that Dodd-Frank, specifically through the Volcker Rule, took many needed steps to ensure the appropriate compartmentalization of a bank's activities as a measure to protect commercial banking activities and ultimately the U.S. taxpayer from riskier activities, including derivatives activities.

However, if confirmed, I commit to working with the Congress, CFTC staff, and both domestic and foreign regulators to ensure that the Volcker Rule is being properly implemented, reflects current practices of financial institutions, and to consider any new

rules or regulations that would serve to protect commercial banking activities and taxpayers in a prompt manner.

2) Do you agree that the CFTC should have the right to request source code from algorithmic trading companies to protect the integrity of the market?

Using its subpoena authority, I do believe the CFTC should have the right to request source code from algorithmic trading companies to protect the integrity of the market. If confirmed, I commit to working with my fellow Commissioners to ensure the subpoena process is effective and timely as a measure to react to unexpected market events caused by algorithmic trading. If this process does not work as needed, specifically providing the Commission with the oversight and enforcement tools it needs to protect the integrity of the market in a timely manner, I commit to working with the Congress and stakeholders to find solutions that balance the need to protect intellectual property, while giving the CFTC the information and data it needs to fulfill its mission.

3) Do you agree that the current CFTC budget of \$250 million is not sufficient to provide the human and technological capital to regulate the \$300 trillion derivatives market? Do you believe that implementing a user fee model would provide the funding stability and availability to better guard the derivatives market?

I do not believe the funding increases the CFTC has received since the financial crisis are commensurate with its new oversight responsibilities provided in Title VII of Dodd-Frank, specifically the previously unregulated swaps market. If the Congress determines a user-fee model would provide the funding stability and availability the Commission needs, I commit to providing any advice or counsel to ensure the user-fee achieves those goals.

4) Do you agree that a lack of competition among market utilities in the derivatives market – including Swap Execution Facilities, Swap Data Repositories, platforms, and other non-participating parties – could result in a too-big-to-fail scenario, thus posing a threat to the economy and undermining the market for end-users, counterparties, and consumers?

Concentration in any market or industry poses risks to consumers and the general public. That said, I agree that a lack of competition among market utilities in the derivatives market could pose harm to the economy and undermine the market for end-users. If confirmed, I commit to working with the Congress and all relevant stakeholders, including consumer groups, to ensure the CFTC's rules and regulations are set up in such a manner that provide fair, robust, and open competition among market participants.

5) Do you believe that the current U.S. person definition is sufficiently broad to provide the C.F.T.C. enough jurisdictional latitude to guard U.S. markets against pooled risk anywhere in the world?

One of the most important lessons from the financial crisis was the global nature and interconnectedness of financial markets. More specifically, we learned that a financial transaction that takes place far beyond our shores, can still have a profound effect on our domestic financial institutions, financial markets, and ultimately the American taxpayer. That said, it's incumbent that the CFTC, when enforcing its cross-border guidance, and more specifically identifying the scope of its U.S. person definition, have appropriate oversight into any transaction that could have an effect on the U.S. I believe the current U.S. person definition provides the CFTC needed authority to monitor off-shore risk that could affect U.S. markets and taxpayers. If confirmed, I commit to working with foreign regulators and stakeholders to ensure that the definition continually reflects activities in the market, and consistently provides the CFTC with the needed oversight authority to police overseas activities.

Senate Committee on Agriculture, Nutrition, & Forestry
Hearing to consider the nominations of
Brian D. Quintenz, Dawn DeBerry Stump, and Rostin Behnam
To be Commissioners of the Commodity Futures Trading Commission
June 27, 2017
Questions for the Record
Brian D. Quintenz

Chairman Roberts

- 1. I have stated many times in the past that we need more compliance options and lower costs for our “folks on the ground” who are trying to hedge their agriculture or commercial risk. They need to be able to focus on the business of what they do best for America. As the CFTC considers rules and regulations that could, or already have had a negative impact on our farmers, ranchers, and other end-users, can each of you please explain how you would address these concerns as a Commissioner?**

RESPONSE: The Office of the Inspector General has stated that the CFTC “lacks an institutional commitment to robust cost-benefit consideration.”¹ The commission needs to address that concern immediately.

During my prior confirmation hearing in 2016, I stated that the CFTC must thoroughly understand, evaluate, and disclose the cost-benefit outcomes its rules could create. Unintended consequences should be identified and remedied pre-emptively and not ignored after the rule is in place. Further, the agency’s rules must define entities or activities which correspond to the risks being mitigated. Otherwise, the agency imposes costs too broadly, and farmers, ranchers, and end-users, who did not cause the financial crisis, pay the price. If confirmed, I will work to ensure that the agency’s rules and impacts mitigate specific risks, solve concrete market flaws, and are targeted to the appropriate entities.

The public deserves a CFTC committed to producing and providing the most detailed, accurate accounting possible of the costs and benefits of its rules. If new information or data challenge the accuracy of prior assumptions or conclusions, I believe the CFTC should reexamine and, if necessary, restate its estimates and representations. If confirmed, I will meticulously examine the

¹ CFTC Office of the Inspector General, “A Review of the Cost-Benefit Consideration for the Margin Rule for Uncleared Swaps,” June 5, 2017, at page i, available at: http://www.cftc.gov/ide/groups/public/@aboutcftc/documents/file/oig_rebenrus060517.pdf

assumptions, calculations, and estimations presented in the agency's proposed and final rulemakings, and I will encourage the Office of the Chief Economist to conduct rigorous, ongoing reviews of costs and benefits.

2. **Occasionally, the Committee hears rumblings about whether it makes sense from a budgeting perspective to combine the SEC and CFTC into one agency. Can you explain the unique role the CFTC retains as a regulator and how it oversees specific risk management tools important to agriculture end users. Further, can you speak to your view of how it is distinct, different, and better positioned to deal with risk management of commodities than an agency specializing in equities regulations?**

RESPONSE: Commodity futures markets and equity markets evolved independently from each other because they served different purposes. Equity markets began as a way for companies to raise public capital, while also providing investors with a means of wealth creation through claims on company's future cash flows. Commodity futures markets began so individuals and businesses could hedge their natural exposure to commodity risk and discover prices at which they could buy or sell their commodities at various points in the future.

Commodity markets and corresponding futures contracts revolve around finite supplies of physical goods deliverable at specific locations and times. That structure has inherent vulnerabilities to unique manipulative practices (and the need to police them) which do not exist in equity markets. Healthy futures markets rely on "convergence"—the increasing alignment of the cash market price and a futures contract's price as the futures contract's expiration approaches. Convergence asymmetry or absence offers significant challenges and risks to farmers, ranchers, and end-users. The CFTC, in collaboration with stake holders, has a proven record of resolving such disruptions.

Generally, finance holds that worthwhile mergers or consolidations require the presence of efficiencies and synergies, like-minded cultures, and a final product of consistent value. Such conditions between the SEC and CFTC are questionable, especially regarding synergies and efficiencies. Further, I believe it is an international regulatory advantage for the U.S. to have a sole "derivatives" regulator with the autonomous authority to oversee that market's unique uses, benefits, challenges, and corresponding regulatory framework.

While policy makers will decide how best to structure the federal government and assign responsibilities, I would urge significant caution in considering the combination of these two financial regulators.

- 3. In the wake of Brexit, there are various reports discussing the negative impacts that could result from requiring all euro-denominated derivative contracts be cleared in the EU, as opposed to London. Can you talk about what impact this fragmentation could have on the clearinghouse equivalence agreement?**

RESPONSE: In response to United Kingdom's (U.K.) June 2016 vote to leave the European Union (E.U.), the European Commission last month proposed a new approach to regulating clearinghouses outside of the E.U. Under the proposal, the European Securities and Markets Authority could force a clearinghouse to physically re-locate into the E.U. if the clearinghouse was of such systemic importance that even direct oversight might not provide enough assurances of financial stability.

This proposal potentially constitutes a significant change from the long and difficultly negotiated parameters in the U.S.-E.U. Central Counterparty (CCP) equivalence determination. It is my belief, and if confirmed it will be my position, that the U.S.-E.U. CCP equivalence determination is still in force with the remaining European Union.

- 4. Please explain your views on the protection of intellectual property rights when it comes the source code of quant funds?**

RESPONSE: As I noted during my prior confirmation hearing testimony, I believe investment firms' algorithmic trading approaches constitute more than historic trading files. "Source code" is typically the culmination of massive time, research, and capital allotments. By its very nature, source code comprises a firm's individuated current and future business strategy, and it should be regarded as intellectual property and trade-secreted material. As such, I believe the subpoena process is the appropriate legal standard by which to compel a firm to disclose its source code to the CFTC. The agency has, in fact, used this authority for this purpose in the past.² Lastly, to my knowledge, the Commission responds quickly to subpoena requests related to market surveillance or enforcement matters, making any claimed burden of the subpoena process questionable.

- 5. I am concerned about protecting customer funds - the money our farmer co-ops often put up in my home state of Kansas while managing risk. What are your views about providing clearinghouses with the option to deposit these margin funds at the Federal Reserve, as is currently the practice for those clearinghouses deemed to be systemically important? Is this a policy which mitigates overall systemic risk?**

² See Responses to Questions for the Record, Nomination Hearing of J. Christopher Giancarlo to be the Chairman of the Commodity Futures Trading Commission, Senate Committee on Agriculture, Nutrition, and Forestry; June 22, 2017.

RESPONSE: Federal Reserve account deposits offer unparalleled safety and security. Access to Federal Reserve accounts provides the highest level of protection for futures and swaps market participants' collateral, thereby reducing the likelihood of a financial panic.

Uneven access to Federal Reserve accounts creates an important competitive advantage for clearinghouses with such access.³ Providing Federal Reserve account access to all Designated Clearing Organizations (DCOs) would be a positive tool in mitigating systemic risk while leveling the playing field between various market participants. Currently, only clearinghouses deemed systemically important by the Financial Stability Oversight Council (FSOC) have access to Federal Reserve accounts for depositing client collateral. That distinction allows certain end-users access to Federal Reserve accounts while precluding others. Farmers and ranchers should enjoy the same collateral security benefits as other market participants regardless of where the contracts tied to their commodities are cleared.

6. In May, the CFTC established a new initiative called LabCFTC in an effort to promote innovation in FinTech. Can you discuss what role you believe the CFTC should play in both supporting this burgeoning industry, integrating it into the markets, but also providing appropriate oversight and regulation?

RESPONSE: The CFTC must stay abreast of market evolution and technological change to successfully meet the challenges of the modern economy.

Financial markets, like the broader economy, have undergone a tremendous technological transformation in recent years. News affecting financial valuations or commodity supply and demand estimations travels instantaneously to billions of people. Automated, algorithmic trading now accounts for 70% of futures market activity.⁴ Distributed ledger technology ("DLT" or "Blockchain") has opened a new frontier in contract design and valuation, trading validation, settlement issues, and custody arrangements.⁵

Regulators should not impede technology innovation simply because they do not understand it. The slow pace of regulatory policy formation dictates that regulators stay ahead of technological progress. The CFTC must adopt a more dynamic and responsive approach to updating its

³ See response from Mr. Scott Hill, CFO of Intercontinental Exchange, Inc., to Congressman Austin Scott (GA-8th) during the House Agriculture Committee's hearing titled: "Clearing the Next Crisis," June 27, 2017, at 51 mins: <https://www.youtube.com/watch?v=uziUhgncYMI>

⁴ See Address of CFTC Commissioner J. Christopher Giancarlo to the American Enterprise Institute, September 21, 2016, available at: http://www.cftc.gov/PressRoom/SpeechesTestimony/opagiancarlo-17#P20_4124

⁵ Oscar Williams-Grut, WEF: Blockchain Will Become the 'Beating Heart' of Finance, Business Insider, Aug. 12, 2016, <http://www.businessinsider.com/world-economic-forum-potential-of-blockchain-in-financial-services-2016-8>

regulations and accounting for technological innovation: once finalized, many regulations remain unchanged for decades.⁶

Acting Chairman Giancarlo's creation of LabCFTC is a launch pad for transforming the CFTC into a 21st Century financial regulator. LabCFTC will offer financial technology innovators a clear and early understanding of regulatory requirements; it will help inform productive rule-writing by forecasting the impacts of cutting-edge products and concepts; it will promote FinTech innovations within the agency to advance its mission; and it will engender a forward-thinking culture among the agency's staff.⁷

Competitive advantages in regulatory jurisdictions promoting FinTech innovation can attract investment and jobs. The portability of technological innovation means businesses locate in jurisdictions with the most favorable regulations. Currently, other jurisdictions better encourage FinTech innovation through regulatory architecture than the United States government.⁸ LabCFTC is an important step toward making America a home for future technology innovation.

If confirmed, I pledge to advance regulation that encourages FinTech innovation and modernizes the agency's approach to technology by supporting LabCFTC, seeking the sponsorship of the Technology Advisory Committee, or through other standalone efforts.

7. The views of U.S. market participants and other external stakeholders are often not solicited or taken into consideration until proposed international standards are fairly well developed.

- **If confirmed, how will you ensure that relevant staff take the views and concerns of external stakeholders into consideration so that that domestic financial regulatory objectives can be identified prior to the development of international standards?**
- **Further, how will you ensure that these international standards do not impose legal requirements on U.S. market participants in and of**

⁶ The Commission only recently updated its rules to allow for ownership and control reporting documents to be transmitted via electronic means as opposed to solely by mail and fax machine. See: CFTC Chairman Gary Gensler, Statement of Support, Ownership and Control Reporting, October 30, 2013: <http://www.cftc.gov/PressRoom/SpeechesTestimony/genslerstatement103013>

⁷ See Speech of CFTC Acting Chairman J. Christopher Giancarlo to the New York FinTech Innovation Lab, May 17, 2017, available at: <http://www.cftc.gov/PressRoom/SpeechesTestimony/opagiancarlo-23>

⁸ See response from CFTC Acting Chairman Giancarlo, House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies: CFTC Budget Hearing, June 17, 2017, at 35 mins: <https://appropriations.house.gov/calendar/eventsingle.aspx?EventID=394896>

themselves without further transparent adoption by the relevant agencies?

RESPONSE: If confirmed, I would pledge to have an active and on-going line of communication with domestic market participants, the agricultural sector, and end-users so that international agreements take into account their market interests and concerns.

Senator Steve Daines

- 1) When I spoke with Acting-Chairman Giancarlo in an Appropriations hearing last month, he shared that the supplemental leverage ratio was responsible for the over 60 percent consolidation in futures commission merchants (FCMs) from March 2007 to March this year. FCMs provide liquidity in the market and low transaction costs to end-users. Does the decline in number of FCMs concern you?**

RESPONSE: I am very concerned about the declining number of Futures Commission Merchants (FCMs). As FCMs leave the market, two negative consequences occur: the industry further concentrates, and smaller market participants lose access to their traditional providers of hedging services.

In 2006, roughly 180 FCMs were in business; as of May 2017, only 64 FCMs were registered with the CFTC.⁹ Further, at year-end 2016, the top ten FCMs held 74% of domestic segregated client margin, with the top 5 holding 53%.¹⁰ I am interested in the potential systemic risk this concentration poses to clearinghouses. Central counterparties (CCPs) do not eliminate risk – rather, they mutualize it across their diverse membership base. As their membership bases shrink and become more concentrated, the diversification and mutualization benefit also decreases. I believe the Commission should make it a priority to better understand FCM industry consolidation's impact on clearinghouse risk and examine steps to increase competition.

With zero-bound interest rates persisting for almost 10 years, and low rates perpetuating over the last 15 years, the financial models of FCMs are under severe stress. It is my belief that both the CFTC's and the banking supervisors' rules have increased costs on FCMs at this difficult time, which may well have been the inflection point for further exits from the industry and more consolidation. Recent CFTC rules on ownership and control reporting as well as record-keeping

⁹ See Financial Data for FCMs, at: <http://www.cftc.gov/MarketReports/financialfcmdata/index.htm>

¹⁰ See Clarus Blog, at: <https://www.clarusfi.com/final-2016-fcm-rankings/>

requirements have added costs that affect small and medium-sized FCMs disproportionately. The Supplemental Leverage Ratio (SLR), which was implemented jointly by the Federal Reserve, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, unfairly penalizes the risk-reducing aspect of client margin – a segregated asset held in a custody arrangement to insure client performance on contracts. Instead, and somewhat incredibly, the SLR considers client margin risk-enhancing, thereby economically disincentivizing futures and swaps trading. Further, systemically important institutions face an additional penalty to engaging in FCM services through an inflated leverage ratio charge.

Generally, I believe any properly calibrated capital regime should accomplish two goals simultaneously: it should protect the markets, clients, end-users, and the public from excessive systemic and firm risk, and should also allow for an adequate economic return for the services or goods provided in order to encourage new market participants and incentivize competition. Poorly calibrated capital regimes accomplish only one of those objectives: if set too punitively, few bankruptcies occur but economies of scale significantly increase, resulting in large consolidation; or if set too low, many new entrants come into the market to capture attractive returns, but bankruptcy risk is severely elevated. Given the massive consolidation in the FCM industry, the paucity of new entrants, and the low number of non-fraudulent bankruptcies, I believe a fresh look at the FCM capital requirements would be a productive undertaking.

2) If the data shows a need to modify the supplemental leverage ratio to provide more competition among FCMs, will you prioritize changes?

RESPONSE: YES. I believe both data and common sense support modest changes to the supplemental leverage ratio (SLR) around the treatment of client margin. I applaud then-Commissioner Giancarlo and then-Chairman Massad for repeatedly raising this issue publicly as well as to domestic prudential regulators, under whose purview changes to the supplemental ratio fall. After years of complaints, finally in 2017 both Federal Reserve Chairman Janet Yellen and outgoing Federal Reserve Governor Daniel Tarullo announced support for altering the treatment of client margin under the SLR. While I am disappointed in the length of time this issue has persisted without action, I am pleased to finally see agreement with the CFTC's long-standing, well known, and bi-partisan position. Changes should be made immediately to this metric and, if confirmed, I will make it a priority to ensure that is accomplished.

Senator Stabenow

1) **I look forward to having a close working relationship with you, if you are confirmed. The work in this very important area is truly a bipartisan effort. If confirmed, do you agree without reservation to:**

- **Reply promptly to any request for information from me? YES.**
- **Reply promptly to any request from other members of this Committee and other Senators? YES**
- **Respond to my requests for data and technical assistance in drafting legislation? YES**

If confirmed, I also look forward to having a close working relationship with you, your staff, and all my fellow Commissioners for the benefit of our country's agricultural producers, ranchers, and end-users.

2) **It has been seven years since the passage of the historic Dodd-Frank Wall Street Reform and Consumer Protection Act. This important legislation has brought greater transparency to previously unregulated markets that caused the financial meltdown.**

- **Will you commit to supporting Title VII of Dodd-Frank?**
- **Will you commit to not rolling back or weakening Title VII of Dodd-Frank?**

RESPONSE: The CFTC is required to follow the law as set forth in Title VII of Dodd-Frank. As an independent agency—and a non-legislative entity—the CFTC cannot weaken or roll back any provision contained in the Commodity Exchange Act (CEA) as amended by Dodd Frank. Policy makers will decide the scope of the agency's authority. While the agency must implement future changes to the CEA, I agree with the three primary goals of Title VII. As written, I believe the CEA provides the Commission adequate flexibility to enact rules that accomplish those goals, protect from excessive risk, promote liquidity, and preserve our markets' international competitive advantages.

3) **CFTC currently has five advisory committees that exist to give input and make recommendations to the Commission on issues within CFTC's jurisdiction. The advisory committees play an important role in providing a channel for communication for stakeholders to the CFTC. If confirmed, as a Commissioner you would lead one of the advisory committees.**

- **What would be your priorities in leading an advisory committee?**
- **Will you commit to ensuring that membership on the advisory committee to which you are assigned includes a diverse representation of stakeholders, including end-users and consumer groups?**
- **How will you work to build consensus among the members of your advisory committee?**
- **How will you ensure any recommendations of the advisory committee are reflective of all members?**
- **How will you ensure transparency in your advisory committee?**
- **Will you commit to providing my staff regular updates on activities of your advisory committee?**

RESPONSE: During my prior confirmation hearing in 2016, I pledged to remain open to all points of view and to promote transparency in the agency's Advisory Committee work. I would re-iterate that pledge here.

Four of the five current CFTC Advisory Committees are subject to the Federal Advisory Committee Act (FACA). FACA requires that membership on covered federal advisory committees must be "fairly balanced in terms of the points of view represented and the functions to be performed," and the committee should "not be inappropriately influenced by the appointing authority or by any special interest."¹¹ I will certainly follow the law in this regard and will also encourage an open exchange of ideas that are substantiated through experience and evidence so that others can learn from and appreciate them.

Lastly, each CFTC Advisory Committee charter contains language which requires that "[r]eports and/or recommendations shall be developed in consultation with all members of the [committee] and any transmission to the Commission shall include dissenting or minority views, if any." If confirmed, I will ensure the Advisory Committee I sponsor adheres to its charter.

4) During your nomination hearing you committed to working to promulgate a final position limits rule.

- **Will you make finalizing the position limits rule a priority?**
- **What is the timeline you would recommend for promulgating this final rule?**

¹¹ 5 U.S.C. Appendix § 5(2)

- **Will you commit to working to have the CFTC implement its own speculative limits and not simply outsourcing limits solely to exchanges and other self-regulatory organizations?**

RESPONSE: As I stated during my confirmation hearing, I am committed to working with my fellow Commissioners to finalize a position limits rule. Ultimately, the agency's Chairman will decide when to bring such a rule before the full Commission for a vote. I believe the Chairman will give the staff adequate time to review prior proposals and associated comment letters, as well as give Commissioners ample opportunity for input. I have a great deal of respect for Acting Chairman Giancarlo and have confidence he will keep his pledge on this issue should he be confirmed as the Commission's Chairman.

The CFTC should work closely with all stakeholders, including Designated Contract Markets (DCMs), in crafting and enforcing any position limits regime. DCMs have a legal obligation to maintain orderly markets and adhere to core principles in the CEA, and they are subject to annual Rule Enforcement Reviews conducted by the agency's Inspector General. The Commission also has a long and effective history of relying on each DCM's expertise for important surveillance and enforcement functions.

Regarding the position limits proposal specifically, there is a discrepancy in views between some DCMs and prior Commission proposals in defining notable, non-spot month position sizes.¹² Additionally, many of the markets in question possess unique features, discrepant participation characteristics, and widely varied open interest levels in out months.¹³ That data strongly suggests any standardized position limit methodology across markets could be too blunt of an approach. If confirmed, I would work to ensure any position limit regime meets the needs of each specific market's end-user community while following Congressional intent

During my 2016 nomination hearing, I pledged to keep an open mind to all points of view and all potential outcomes should I have the honor of serving as a Commissioner. I stand by that pledge and would welcome DCMs' expertise and opinions in this matter.

¹² See transcript of CFTC Energy and Environmental Markets Advisory Committee meeting, February 26, 2016 at page 66, at: <http://www.cftc.gov/idc/groups/public/@aboutcftc/documents/file/emactranscript022615.pdf>;

¹³ See CFTC Energy and Environmental Markets Advisory Committee meeting, February 26, 2016, presentation Erik Haas, p 7-8, at: http://www.cftc.gov/idc/groups/public/@aboutcftc/documents/file/eemac022615_icemarkets1.pdf

5) What market oversight and personnel risks will the Commission face if its budget is not increased? If CFTC's budget is not sufficiently increased will you support regulatory fee for service?

RESPONSE: I believe the Commission and its staff have performed the agency's mission admirably over the last number of years at a funding level consistent with the President's current request. However, I am aware of Acting Chairman Giancarlo's independent budget submission for the CFTC which requests a 12% increase in funding to add staff to the Office of the Chief Economist, to further the Commission's work around LabCFTC and FinTech innovation, and to provide enhanced oversight of central counterparties. I support all of these priorities.

Funding proposals involving user-fees, targeted taxes, or transaction charges that would be automatically directed to the agency and remove it from the Congressional budgeting and appropriating process need to be carefully considered, and the source of any funds needs to be clearly understood.

While the transition to a privately funded system is a policy decision upon which Congress must debate and decide, I have some reservations about shifting more of the cost of regulatory oversight to the small part of the private sector which actively uses these markets.

Self-Regulatory Organizations (SROs) like the National Futures Association (NFA) and the major exchanges each spend a considerable amount of money executing their SRO responsibilities and account for about 40% of the total funding spent on regulatory oversight in these markets.¹⁴ The NFA alone spends \$91 million annually and has a staff of over 500 employees performing regulatory oversight functions.¹⁵ All of these funds come from private sources through membership dues, transaction charges, or company cost line-items.

The benefits of commodity markets accrue to a wide segment of society, more than just the small group of market participants who actively use them. As such, I believe there is a case for public taxpayer dollars to continue funding the agency's share of oversight costs and for preserving that funding inside the robust federal budgeting and appropriating process.

6) Dodd-Frank included requirements for the creation of swap data repositories (SDRs) to provide central facilities for swap data reporting and recordkeeping - including for security-based swaps. Both the CFTC and the SEC have promulgated regulations to address these requirements, however differences exist. The CFTC's rules have already been implemented, but the SEC's rules have not yet been

¹⁴ See <https://www.nfa.futures.org/news/member-newsletter-2016/052416.HTML>; See Testimony of Terrance A. Duffy, Executive Chairman and President, CME Group Inc, before the Senate Committee on Agriculture, Nutrition, and Forestry, Hearing on CFTC Reauthorization, May 15, 2015; Nominee's professional knowledge.

¹⁵ See www.nfa.org

implemented. A complete picture of the swaps market requires transparency into the securities-based swaps market. As you work towards bringing greater transparency to the swaps market will you coordinate with the SEC to help ensure the rules work together?

RESPONSE: YES. I commit to working with the SEC and any relevant stakeholders to ensure that the rules governing the SDR market work together.

As a prior investment analyst whose valuations and recommendations relied on the accuracy, accessibility, and scope of publicly available information, and as a believer in the benefits of an efficient market to provide an important check on risky management behavior, I am a strong advocate of data and transparency.

Enhanced transparency was at the core of both the G-20 Pittsburg platform for global derivatives market reform and of Title VII of Dodd Frank. In 2010, the Financial Stability Board released a report on implementing derivative market reforms and called for data to be “comprehensive, uniform, and reliable” in order to further the goals of swap market transparency.¹⁶ Unfortunately, nearly 9 years after the financial crisis, swaps data has still not met these goals. If confirmed, I would pledge to correct what the agency’s Office of Inspector General has called “a failure of leadership at the CFTC” on this issue.¹⁷

Earlier this month, I was pleased to see the Commission issue a detailed roadmap to achieving high quality, uniform swaps market data as well as its announcement to undertake a holistic review of swaps data reporting standards, processes, and obligations.¹⁸ These steps are long overdue and, if confirmed, I pledge to add my energy and advocacy for high quality data and market transparency to this effort.

In 2011, the Commission's Technology Advisory Committee (TAC), under the direction of its then-sponsor, former Commissioner Scott O'Malia, created a Subcommittee on Data Standardization. That subcommittee has not met since presenting a report to the TAC on March 29, 2012. If confirmed and honored with sponsoring the TAC, I would reconstitute this subcommittee to promote data standardization as a priority.

¹⁶ See <http://www.fsb.org/2010/10/fsb-report-on-implementing-otc-derivatives-market-reforms/>

¹⁷ CFTC Office of the Inspector General, “A Review of the Cost-Benefit Consideration for the Margin Rule for Uncleared Swaps,” June 5, 2017, at page 28, available at:

http://www.cftc.gov/idc/groups/public/@aboutcftc/documents/file/oig_rbcnrus060517.pdf

¹⁸ Roadmap: http://www.cftc.gov/idc/groups/public/@newsroom/documents/file/dmo_swapdataplan071017.pdf
Swaps reporting review: <http://www.cftc.gov/PressRoom/PressReleases/pr7585-17>

7) The CFTC recently announced that it entered into non-prosecution agreements with three individuals who had traded for a private company. According to the CFTC in these agreements the individuals admitted they had engaged in spoofing – an unlawful trade practice. The agreements highlighted that the individuals had cooperated, accepted responsibility and helped with CFTC’s investigation of their employer.

- In what situations do you believe non-prosecution agreements are appropriate?
- What criteria do you believe should be used to determine whether non-prosecution agreements are appropriate?
- In what situations do you believe somebody who has engaged in unlawful conduct should not be prosecuted?

RESPONSE: Beyond ensuring the Commodity Pool Operator I founded was in full regulatory compliance, I do not have professional experience in financial market enforcement and am not an attorney. However, as a former market participant, I do believe in a strong enforcement approach to illegal behavior that jeopardizes market trust or diminishes market credibility. If confirmed, I pledge to work with the CFTC’s enforcement division to ensure that those who commit fraud, abuse, or manipulation are punished appropriately.

8) Will you commit to protecting whistleblowers who identify problems with CFTC related issues? If yes, what specific measures will you take to ensure whistleblowers are protected?

RESPONSE: YES. The Whistleblower Protection Act (P.L. 101-12) and Part 165 of the Commission’s own regulations provide for the protection of internal and external whistleblowers. If confirmed, I will pledge to ensure the Commission is following both the statute and its own rules.

9) What will you do to ensure transparency in settlements in enforcement actions?

RESPONSE: If confirmed, I will encourage the CFTC’s Division of Enforcement to continue publishing press releases detailing the agency’s findings against those who enter into settlement agreements with the Commission.

10) What is your approach to managing staff, and how has it developed in your previous management experiences?

RESPONSE: I believe in a cooperative and team focused environment where the whole can be greater than the sum of the parts. Ultimately, I believe well-motivated, highly engaged staff need to be incentivized through appropriate compensation, a positive work environment, productive feedback, strong communication, and a healthy work-life balance.

11) What actions in your past executive experiences demonstrate your style and approach in the area of labor-management relations?

RESPONSE: I do not have any professional experience in this regard but believe that: management needs to have a positive working and trusting relationship with staff, the staff should provide comparative value, and that staff compensation should be commensurate with that value. If confirmed, I look forward to learning how the CFTC handles labor-management relations.

12) What do you believe CFTC can do to recruit and hire the personnel needed to achieve results?

RESPONSE: In my experience, high quality staff are attracted to a work environment that has positive and engaging communication, adheres to a challenging but clearly defined mission, and provides growth opportunities for career enhancement. I would seek to further such an environment if confirmed.

13) What role would you like to see unions play at CFTC, and what style or arrangements involving labor and management do you intend to foster? For example, will you foster labor-management partnerships at the CFTC or do you believe that other kinds of arrangements would be preferable? What steps would you take to achieve the kind of labor-management relationships you want?

RESPONSE: I respect the right of the CFTC's staff to unionize and will seek to have a positive and productive relationship with all the staff at the agency.

14) The CFTC has important enforcement authority which should be carried out impartially. Both Republican and Democratic administrations have had written policies limiting White House contacts with agencies that have investigatory and enforcement responsibilities.

- **Do you agree that it is important to keep political influence out of CFTC decisions regarding investigations and enforcement, such as whether to launch an investigation, continue it, go forward with an enforcement action or close the matter?**

RESPONSE: YES

- **Will you commit to restricting communications between the CFTC and White House staff regarding specific investigations and enforcement matters?**

RESPONSE: YES

15) What is your general position towards the role of the CFTC versus self-regulatory organizations? Do you agree that the CFTC should have a more rules based, hands on approach to monitoring the market for function and bad actors?

RESPONSE: Self-regulation has a long history in commodity markets, and Self-Regulatory Organizations (SROs) have played an important role in protecting customers and market participants from fraud and abuse. For instance, “corners” in commodity contracts were originally banned by the Chicago Board of Trade in 1868, more than 50 years before the first federal regulatory body was formed.¹⁹

In addition to creating the CFTC, the 1974 Commodity Exchange Act also authorized the creation of registered futures associations. The National Futures Association (NFA) was designated as an SRO by the CFTC in 1981 and began operating in 1982.²⁰ The NFA is a non-profit organization currently employing over 500 people with an annual budget of \$91 million.²¹ Given that the NFA is funded entirely by private sources, has a flexible cost structure, and, in my opinion as a prior registrant, enjoys an outstanding professional reputation, I believe it is in the best interest of U.S. taxpayers, end-users, and commodity market participants to maintain a strong partnership between the NFA and the CFTC.

16) As you know, the CFTC is currently seeking to establish a regulatory framework overseeing automated trading, including oversight of individuals and market participants that utilize the technology in the marketplace. For obvious reasons, appropriate regulatory transparency can be used as a critical tool in enforcement actions seeking to stop market manipulation, and prevent future market disruptions like the 2010 and 2015 flash crashes.

- **If confirmed, what factors will you consider when determining the balance between regulatory access to information and data, possibly**

¹⁹ See http://www.cftc.gov/About/HistoryoftheCFTC/history_precftc

²⁰ <https://www.nfa.futures.org/about/nfa-history.html>

²¹ See Finance Magnets, “The Board of the NFA Approves \$91m Budget for Fiscal 2017,” May 24, 2016, available at: <http://www.financemagnates.com/institutional-forex/regulation/board-nfa-approves-91-mln-budget-fiscal-2017/>

including source code and algorithms within the automated trading context, versus protecting the intellectual property of individuals and firms participating in the marketplace?

RESPONSE: As I stated in my responses to the Questions for the Record during my prior confirmation process in 2016, the CFTC must have the information it needs to fulfill its mission. However, I believe confidential and valuable information can be made available to the Commission while also protecting critical intellectual property. The CFTC already has a variety of means by which it can request access to (and an explanation of) any firm's algorithmic or automated trading strategies, including through the subpoena process. During the June 2015 Staff Roundtable on Regulation AT, one panelist recalled exactly such a scenario—hosting CFTC personnel on site to collectively examine and understand his firm's proprietary technology and algorithmic strategies.²²

If confirmed, I would seek to further engender positive working relationships between the agency and financial technology innovators for the benefit of both parties and the markets as a whole. I believe such relationships offer the best opportunity to understand technological developments, preserve firms' intellectual property rights, and minimize any market risk posed by such practices. Through cooperation, collaboration, and good faith, the CFTC can accomplish those priorities while also fulfilling its mission of protecting market integrity.

17) Risk and leverage associated with bilateral, over-the-counter swaps played a significant role in the financial crisis. Recognizing this, Congress mandated, among other things, central clearing of certain standardized swaps under Section 723 of the Dodd-Frank Act. Since 2010, the transition to mandatory clearing has been long and challenging; however, a majority of standardized swaps are now being cleared through registered derivatives clearing organizations (DCOs). Since this transition, there have been many discussions by policy makers, regulators, and market participants regarding the new risk profile of DCOs. Ultimately, the question has become, with the new mandate, have clearinghouses, and the market "plumbing" services they now provide, become too systemically risky. Another question that has arisen deals with which parties are responsible for ensuring that clearinghouses are properly capitalized in case of a market disruption.

- **What role do you believe a clearinghouse plays vis a vis its clearing members in terms of responsibility for appropriate capital**

²² See Transcript of CFTC Staff Roundtable on Regulation Automated Trading at page 250, available at <http://www.cftc.gov/ide/groups/public/@newsroom/documents/file/transcript061016.pdf>

**contributions as a measure to alleviate market stress during a
bankruptcy, dissolution scenario, or capital shortfall?**

RESPONSE: Designated Clearing Organizations (DCOs) play a vital role in enhancing systemic transparency and in the mutualization of risk. The Commission recently (and unanimously) finalized a rule aimed at ensuring DCOs meet strong safety and soundness thresholds. Presently, DCOs need to be capitalized well enough to withstand a default by its two largest clearing members. I believe this is a high standard and believe the capital table structure of a clearinghouse and how to effectuate that capital buffer is best negotiated between a clearinghouse and its members. The Commission must now focus on compliance with these rules to ensure DCOs are meeting their systemic safety obligations.

Senator Sherrod Brown

1) In 2016 the CFTC Energy and Environmental Markets Advisory Committee prepared a report that was later withdrawn. I am concerned that balanced viewpoints may not be represented on the EEMAC, or other committees.

- If you are confirmed as a Commissioner, do you commit to maintaining balanced committee memberships and leading an inclusive, transparent, and cooperative process?**

RESPONSE: YES. In my response to one of your questions during my prior confirmation hearing in 2016, I pledged to remain open to all points of view and reiterated my value for transparency in government. I would re-iterate that pledge here. I will strive for balanced membership of the Advisory Committee I sponsor and will encourage an open exchange of ideas that are substantiated through experience and evidence so that others can learn from and appreciate them.

Four of the five current CFTC Advisory Committees are subject to the Federal Advisory Committee Act (FACA). FACA requires that membership on covered federal advisory committees must be "fairly balanced in terms of the points of view represented and the functions to be performed," and the committee should "not be inappropriately influenced by the appointing authority or by any special interest."²³ I will certainly follow the law in this regard.

²³ 5 U.S.C. Appendix § 5(2)

2) The Commission recently launched a review of swap reporting rules to improve data quality and accuracy and to improve reporting processes.

- **If you are confirmed as a Commissioner, will you work to make sure the review and any resulting rule proposals promote a broad, competitive market among swaps execution facilities, including across product markets?**

RESPONSE: YES.

3) If confirmed, do you agree without reservation to

- **Reply promptly to letters to the CFTC or requests for information from me and others member of the Committee and the Senate?**

RESPONSE: YES.

Senator Gillibrand

1) Do you agree that one of the best ways to protect taxpayers and the financial markets is to separate federally insured commercial banking activities from too-big-to-fail financial institutions, many of whom have complex financial products that may include derivatives dealings?

RESPONSE: I believe the appropriate legal activities of banking entities should be defined by Congress. Should Congress re-instate the separation of traditional deposit-taking and lending banking activities from securities and derivatives dealings, it would be incumbent upon the CFTC, as appropriate, to accomplish those objectives. If confirmed, I look forward to working with you and your staff on this issue in more detail.

2) Do you agree that the CFTC should have the right to request source code from algorithmic trading companies to protect the integrity of the market?

RESPONSE: YES, and the Commission currently has that right through its subpoena power.

3) Do you agree that the current CFTC budget of \$250 million is not sufficient to provide the human and technological capital to regulate the \$300 trillion derivatives market? Do you believe that implementing a user fee model would provide the funding stability and availability to better guard the derivatives market?

RESPONSE: I believe the Commission and its staff have performed the agency's mission admirably over the last number of years at a funding level consistent with the President's current request. However, I am aware of Acting Chairman Giancarlo's independent budget submission for the CFTC which requests a 12% increase in funding to add staff to the Office of the Chief Economist, to further the Commission's work around LabCFTC and FinTech innovation, and to provide enhanced oversight of central counterparties. I support all of these priorities.

Funding proposals involving user-fees, targeted taxes, or transaction charges that would be automatically directed to the agency and remove it from the Congressional budgeting and appropriating process need to be carefully considered, and the source of any funds needs to be clearly understood.

While the transition to a privately funded system is a policy decision upon which Congress must debate and decide, I have some reservations about shifting more of the cost of regulatory oversight to the small part of the private sector which actively uses these markets.

Self-Regulatory Organizations (SROs) like the National Futures Association (NFA) and the major exchanges each spend a considerable amount of money executing their SRO responsibilities and account for about 40% of the total funding spent on regulatory oversight in these markets.²⁴ The NFA alone spends \$91 million annually and has a staff of over 500 employees performing regulatory oversight functions.²⁵ All of these funds come from private sources through membership dues, transaction charges, or company cost line-items.

The benefits of commodity markets accrue to a wide segment of society, more than just the small group of market participants who actively use them. As such, I believe there is a case for public taxpayer dollars to continue funding the agency's share of oversight costs and for preserving that funding inside the robust federal budgeting and appropriating process.

- 4) Do you agree that a lack of competition among market utilities in the derivatives market – including Swap Execution Facilities, Swap Data Repositories, platforms, and other non-participating parties – could result in a too-big-to-fail scenario, thus posing a threat to the economy and undermining the market for end-users, counterparties, and consumers?**

RESPONSE: I believe that properly calibrated regulations should protect the markets, clients, end-users, and the public from excessive systemic and firm risk while also promoting

²⁴ See <https://www.nfa.futures.org/news/member-newsletter-2016/052416.HTML>; See Testimony of Terrance A. Duffy, Executive Chairman and President, CME Group Inc, before the Senate Committee on Agriculture, Nutrition, and Forestry, Hearing on CFTC Reauthorization, May 15, 2015; Nominee's professional knowledge.

²⁵ See www.nfa.org

competition and encouraging market participation. To the extent that participation in any major area of Title VII core reforms is low, I believe the CFTC should review its rules and debate how to better encourage competition and decrease concentration. If confirmed, I would pledge to work on these issues with the goals of reducing systemic risk and increasing market competition.

5) Do you believe that the current U.S. person definition is sufficiently broad to provide the C.F.T.C. enough jurisdictional latitude to guard U.S. markets against pooled risk anywhere in the world?

RESPONSE: From my perspective as a former equity analyst, a substantial amount of a company's investment risk can be derived from the firm's financial statements and disclosures. While I believe a case could be made that defining a Foreign Consolidated Subsidiary as a US Person for the purposes of cross border swaps rules captures risk that can affect US markets and investments in a US company, I would want to review more thoroughly comment letters on the recent proposal's expansion of this definition to all swaps rules in order to inform myself as to any potential unintended consequences. If confirmed, I pledge to listen to any and all concerns you may have on this issue.

Senate Committee on Agriculture, Nutrition, & Forestry
Hearing to consider the nominations of
Brian Quintenz, Dawn DeBerry Stump, and Rostin Behnam
To be Chairman of the Commodity Futures Trading Commission
June 27, 2017
Questions for the Record
Dawn Stump

Chairman Roberts

- 1. I have stated many times in the past that we need more compliance options and lower costs for our “folks on the ground” who are trying to hedge their agriculture or commercial risk. They need to be able to focus on the business of what they do best for America. As the CFTC considers rules and regulations that could, or already have had a negative impact on our farmers, ranchers, and other end-users, can each of you please explain how you would address these concerns as a Commissioner?**

I agree that a one-size-fits-all approach to regulation can lead to undesirable consequences. Furthermore, I believe that the Commodity Exchange Act sets forth principles that allow the CFTC discretion in its rulemaking as those rules relate to various unique market participants. This discretion can only be correctly applied if regulators understand market participants' unique concerns. If confirmed, I know my background in the agricultural markets will provide a practical influence in applying this discretion. Additionally, I am hopeful that the new CFTC market intelligence branch will be able to do a deep dive into specific market issues to address ongoing market concerns raised by specific stakeholders, including those of the agricultural sector. I further believe that to properly assess and calibrate the trade-offs related to policy choices, the Chief Economist's office at the CFTC must take a leadership role in informing the Commission of micro costs and benefits to various sectors.

- 2. Occasionally, the Committee hears rumblings about whether it makes sense from a budgeting perspective to combine the SEC and CFTC into one agency. Can you explain the unique role the CFTC retains as a regulator and how it oversees specific risk management tools important to agriculture end users. Further, can you speak to your view of how it is distinct, different, and better positioned to deal with risk management of commodities than an agency specializing in equities regulations?**

The CFTC and the SEC have different missions and statutory authorities. Having roots in agriculture, I believe it is critical that the CFTC's unique role in serving the commodity markets be preserved. The institutional knowledge of the CFTC staff relative to the grains, livestock, and soft agricultural commodities is critically important to the Agency's oversight role. The same can be said for the CFTC's vast experience in the derivatives markets that serve the energy and metals market participants. Even where futures and swaps are derived from security products, distinctions have been established regarding oversight authority. These distinctions recognize the difference between risk transfer and hedging in the derivatives markets and capital formation in the securities markets. That said, continued coordination between the two market regulators is vitally important.

- 3. In the wake of Brexit, there are various reports discussing the negative impacts that could result from requiring all euro-denominated derivative contracts be cleared in the EU, as opposed to London. Can you talk about what impact this fragmentation could have on the clearinghouse equivalence agreement?**

Recognizing the global nature of the markets and the infrastructure that supports them requires regulators in both Europe and the U.S. to consider not only how to enhance regulations for clearinghouses in their home country but also how to determine if clearinghouses in other jurisdictions are appropriately regulated. The U.S and Europe spent almost three years developing such a framework. Just last year, an agreement was reached whereby the European Commission found the CFTC regime for regulating clearinghouses equivalent to the European regime. To revisit this agreement now would seem to undermine years of complex bi-lateral negotiations. Certainly, the United Kingdom and European Union will need to work through their own bi-lateral clearinghouse recognition once the two are no longer under the same jurisdiction, but it would not serve the markets nor the recent reform agenda well to change the conditions set out for U.S. clearinghouse just over a year ago, in March 2016.

- 4. Please explain your views on the protection of intellectual property rights when it comes the source code of quant funds?**

I understand the concerns of turning over proprietary intellectual property to any third party. However, I believe there are certainly instances in which the Commission will need access to proprietary information and even intellectual property of market participants. Access of this nature should be preserved for the CFTC but the manner in which the property is reviewed and obtained should ensure that proper protection is afforded to the property owners and that important legal processes are closely followed.

- 5. I am concerned about protecting customer funds - the money our farmer co-ops often put up in my home state of Kansas while managing risk. What are your views about providing clearinghouses with the option to deposit these margin funds at the Federal Reserve, as is currently the practice for those clearinghouses deemed to be systemically important? Is this a policy which mitigates overall systemic risk?**

Allowing clearinghouses to deposit collateral in a Federal Reserve System account can help reduce custodial risk that is present with commercial depository institutions. I believe that any increased protections of collateral will ultimately benefit end-users such as those farmer co-ops in Kansas. If confirmed, I pledge to examine this issue to learn more about this policy and its impact on overall systemic risk.

- 6. In May, the CFTC established a new initiative called LabCFTC in an effort to promote innovation in FinTech. Can you discuss what role you believe the CFTC should play in both supporting this burgeoning industry, integrating it into the markets, but also providing appropriate oversight and regulation?**

It is incumbent upon the CFTC to have an understanding of various developing technologies that may eventually find purpose in the derivatives markets. The pace of change in the markets is unlikely to slow and LabCFTC will provide a valuable, forward-looking forum for not only fostering market enhancement through technologies but also better ensuring that regulators can keep pace with the innovators. Hopefully, this will lead to more efficient considerations during the developmental phases of financial technologies, before products are brought to market, and also inform the need and appropriate application of any regulatory oversight well in advance of market adoption.

- 7. The views of U.S. market participants and other external stakeholders are often not solicited or taken into consideration until proposed international standards are fairly well developed.**

- **If confirmed, how will you ensure that relevant staff take the views and concerns of external stakeholders into consideration so that that domestic financial regulatory objectives can be identified prior to the development of international standards?**
- **Further, how will you ensure that these international standards do not impose legal requirements on U.S. market participants in and of**

themselves without further transparent adoption by the relevant agencies?

It is important that when U.S. regulatory bodies participate in an international framework for the development of global standards that such standards be subject to local jurisdictional stakeholder input along the way, and long prior to finalization. The development of such international regulatory policies would certainly benefit from such engagement. If confirmed, I am committed to participating in that process in a productive manner and am committed to listening to any and all stakeholders.

Senator Stabenow

1) I look forward to having a close working relationship with you, if you are confirmed. The work in this very important area is truly a bipartisan effort. If confirmed, do you agree without reservation to:

- **Reply promptly to any request for information from me?**
Yes
- **Reply promptly to any request from other members of this Committee and other Senators?**
Yes
- **Respond to my requests for data and technical assistance in drafting legislation?**
Yes

2) It has been seven years since the passage of the historic Dodd-Frank Wall Street Reform and Consumer Protection Act. This important legislation has brought greater transparency to previously unregulated markets that caused the financial meltdown.

- **Will you commit to supporting Title VII of Dodd-Frank?**
- **Will you commit to not rolling back or weakening Title VII of Dodd-Frank?**

I do not believe wholesale repeal of Title VII is warranted. The CFTC's regulations under Title VII are largely implemented and have been operational for several years at this point. Therefore, a roll back would likely result in increased uncertainty. Ten years after the onset of the crisis, these markets deserve regulatory stability, coupled with assurances that the new regulations are achieving their intended goals of increased

transparency and systemic risk reduction. Because the CFTC implemented their responsibilities under the Dodd-Frank Act in a more expeditious manner than other regulators, it is uniquely situated to review the application of such rules to ensure the goals of the G-20 mandate are being met.

3) CFTC currently has five advisory committees that exist to give input and make recommendations to the Commission on issues within CFTC's jurisdiction. The advisory committees play an important role in providing a channel for communication for stakeholders to the CFTC. If confirmed, as a Commissioner you would lead one of the advisory committees.

- **What would be your priorities in leading an advisory committee?**
- **Will you commit to ensuring that membership on the advisory committee to which you are assigned includes a diverse representation of stakeholders, including end-users and consumer groups?**
- **How will you work to build consensus among the members of your advisory committee?**
- **How will you ensure any recommendations of the advisory committee is reflective of all members?**
- **How will you ensure transparency in your advisory committee?**
- **Will you commit to providing my staff regular updates on activities of your advisory committee?**

Any advisory committee should be a forum for various views. My experience as a Congressional staffer is that the best end products are a collection of ideas. I would commit to ensuring a diverse representation of stakeholders on any advisory committee I sponsor. True consensus must be derived out of compromise, and certainly the lessons I learned as a staffer at the Senate Agriculture Committee will serve as a standard to inform my approach to seeking out reasonable individuals, who desire sincere and productive compromise, for appointment to CFTC advisory committees. If divergent views are present after attempts to reach compromise, those views should be included in any advisory materials presented to the Commission. All advisory committee discussions and subcommittee appointments should be open and available to any member of the committee. If confirmed, I would welcome the opportunity to brief staff of the Senate and House Agriculture Committees on advisory committee proceedings.

4) During your nomination hearing you committed to working to promulgate a final position limits rule.

- **Will you make finalizing the position limits rule a priority?**
- **What is the timeline you would recommend for promulgating this final rule?**
- **Will you commit to working to have the CFTC implement its own speculative limits and not simply outsourcing limits solely to exchanges and other self-regulatory organizations?**

If confirmed, I commit to making it a priority to review the many comments received on various Commission proposals and supplements related to position limits. This rule has been outstanding for many years. I would recommend that the Commission work to consider stakeholder input and advance this rule in short order. Once the Chairman determines to put a position limits proposal before the Commission, I commit to an expeditious review. Building upon work that the Commission has done in this area over the past several years, I am committed to expanding federally established limits beyond the current 9 agricultural commodities to a broader set of commodity limits currently set by exchanges. I do believe that any rule should follow Congressional intent as well as not overly burden farmers, ranchers, and end-users such as those in Michigan.

- 5) What market oversight and personnel risks will the Commission face if its budget is not increased? If CFTC's budget is not sufficiently increased will you support regulatory fee for service?**

The Acting Chairman of the CFTC recently conducted a top to bottom review of resource uses and needs at the CFTC. While I do not currently have access to such information, if confirmed, I am committed to a thorough review of this analysis in the context of the agency's new responsibilities. Given the vast universe of end-users in these markets, I would encourage Congress to seek their input into the consideration of any user fee proposal under consideration. Such information would also be helpful in informing my views of any such fee initiative for which Congress may seek my input.

- 6) Dodd-Frank included requirements for the creation of swap data repositories (SDRs) to provide central facilities for swap data reporting and recordkeeping - including for security-based swaps. Both the CFTC and the SEC have promulgated regulations to address these requirements, however differences exist. The CFTC's rules have already been implemented, but the SEC's rules have not yet been implemented. A complete picture of the swaps market requires transparency into the securities-based swaps market. As you work towards bringing greater transparency to the swaps market will you coordinate with the SEC to help ensure the rules work together?**

Yes, I agree coordination in this area is critically important. Having worked at the Agriculture Committee during the financial crisis, I can attest that swap data reporting was a critical component of the response intended to help regulators, including the CFTC and the SEC, better police the development of a new market structure for swaps.

7) The CFTC recently announced that it entered into non-prosecution agreements with three individuals who had traded for a private company. According to the CFTC in these agreements the individuals admitted they had engaged in spoofing – an unlawful trade practice. The agreements highlighted that the individuals had cooperated, accepted responsibility and helped with CFTC’s investigation of their employer.

- **In what situations do you believe non-prosecution agreements are appropriate?**
- **What criteria do you believe should be used to determine whether non-prosecution agreements are appropriate?**
- **In what situations do you believe somebody who has engaged in unlawful conduct should not be prosecuted?**

I believe that non-prosecution agreements are appropriate when they can lead to a greater investigatory finding. These types of agreements are very routine throughout law enforcement and other government enforcement bodies. If confirmed, I pledge to learn more about these agreements and, working with the Division of Enforcement, to understand the process. Once I better understand the internal prosecutorial functions at the Commission, I will be better suited to form my opinions on these matters.

8) Will you commit to protecting whistleblowers who identify problems with CFTC related issues? If yes, what specific measures will you take to ensure whistleblowers are protected?

Yes, I am committed to protecting whistleblowers as required by Section 748 of the Dodd-Frank Act, which added Section 23 to the Commodity Exchange Act. I support recent Commission efforts to strengthen anti-retaliation measures for whistleblowers. If confirmed, I will ensure that the anti-retaliation protections for whistleblowers embodied in Part 165 of the Commission’s Regulations and the Whistleblower Protection Act are followed.

9) What will you do to ensure transparency in settlements in enforcement actions?

If confirmed, I commit to working with my fellow Commissioners and the Division of Enforcement to ensure the division is upholding its responsibilities through a process that is fair and objective and is in line with its mission to keep regulated markets safe, transparent, and free from fraud and manipulation. In addition, I will recommend that the Division of Enforcement work closely with the Office of Public Affairs so that transparency in settlements in enforcement actions are well communicated to the public.

10) What is your approach to managing staff, and how has it developed in your previous management experiences?

My management style is one of collaboration. I appreciate an open dialogue and expect those I manage to voice concerns and ideas.

11) What actions in your past executive experiences demonstrate your style and approach in the area of labor-management relations?

While never being directly involved with labor-management relations, I will encourage the Commission to work diligently with the union and all employees of the CFTC so that their interests are heard and any agreements are made from cooperative dialogue.

12) What do you believe CFTC can do to recruit and hire the personnel needed to achieve results?

If confirmed, I am committed to reviewing recent analysis of staffing needs. The markets regulated by the CFTC are extremely technical in nature such that the agency benefits from a balance in legal, economic, and policy experts. Going forward, I believe the CFTC must recruit to balance these necessary specialties.

13) What role would you like to see unions play at CFTC, and what style or arrangements involving labor and management do you intend to foster? For example, will you foster labor-management partnerships at the CFTC or do you believe that other kinds of arrangements would be preferable? What steps would you take to achieve the kind of labor-management relationships you want?

I fully respect the union at the CFTC. If confirmed, I pledge to work with the union and all employees at the CFTC so that their voices are heard and there is a collaborative

labor-management partnership. If confirmed, I look forward to learning more about the existing relationship and working to achieve the best outcomes possible.

14) The CFTC has important enforcement authority which should be carried out impartially. Both Republican and Democratic administrations have had written policies limiting White House contacts with agencies that have investigatory and enforcement responsibilities.

- **Do you agree that it is important to keep political influence out of CFTC decisions regarding investigations and enforcement, such as whether to launch an investigation, continue it, go forward with an enforcement action or close the matter?**

Yes

- **Will you commit to restricting communications between the CFTC and White House staff regarding specific investigations and enforcement matters?**

Yes

15) What is your general position towards the role of the CFTC versus self-regulatory organizations? Do you agree that the CFTC should have a more rules based, hands on approach to monitoring the market for function and bad actors?

Both the CFTC and the SROs are critical to ensuring our markets are properly regulated. SRO rules and rule amendments are subject to CFTC review and approval and certainly the CFTC should continue examinations of the execution of SROs regulatory oversight programs. I believe we must preserve the “belts and suspenders” approach of having both vigilantly police the system.

16) As you know, the CFTC is currently seeking to establish a regulatory framework overseeing automated trading, including oversight of individuals and market participants that utilize the technology in the marketplace. For obvious reasons, appropriate regulatory transparency can be used as a critical tool in enforcement actions seeking to stop market manipulation, and prevent future market disruptions like the 2010 and 2015 flash crashes.

- **If confirmed, what factors will you consider when determining the balance between regulatory access to information and data, possibly including source code and algorithms within the automated trading**

context, versus protecting the intellectual property of individuals and firms participating in the marketplace?

I understand the concerns of turning over proprietary intellectual property to any third party. However, I believe there are certainly instances in which the Commission will need access to proprietary information and even intellectual property of market participants. Access of this nature should be preserved for the CFTC, but the manner in which the property is reviewed and obtained should ensure that proper protection is afforded to the property owners and that important legal processes are closely followed.

17) Risk and leverage associated with bilateral, over-the-counter swaps played a significant role in the financial crisis. Recognizing this, Congress mandated, among other things, central clearing of certain standardized swaps under Section 723 of the Dodd-Frank Act. Since 2010, the transition to mandatory clearing has been long and challenging; however, a majority of standardized swaps are now being cleared through registered derivatives clearing organizations (DCOs). Since this transition, there have been many discussions by policy makers, regulators, and market participants regarding the new risk profile of DCOs. Ultimately, the question has become, with the new mandate, have clearinghouses, and the market "plumbing" services they now provide, become too systemically risky. Another question that has arisen deals with which parties are responsible for ensuring that clearinghouses are properly capitalized in case of a market disruption.

- **What role do you believe a clearinghouse plays vis a vis its clearing members in terms of responsibility for appropriate capital contributions as a measure to alleviate market stress during a bankruptcy, dissolution scenario, or capital shortfall?**

Clearinghouses have been critical in responding to the financial crisis – in particular the interconnectedness of the bi-lateral swaps markets. Ongoing oversight of this infrastructure remains critical, and if confirmed, I am committed to continuing robust oversight of our DCOs. With regard to capital contributions, certainly both DCOs and clearing members must contribute their own capital, but perhaps most important is transparency of the DCOs expectations for their clearing members. Sustaining the DCO in times of stress is in the best interest of all stakeholders. Therefore, to the extent possible, expectations of DCOs and clearing members should be coordinated long prior to any market disruptions.

18) As you know, President Trump has promised to drain the swamp, specifically targeting lobbyists. You, however, have recently served as a lobbyist in your own consulting firm, have worked as a lobbyist for the NYSE, and have worked for FIA, the Futures Industry Association, a major industry trade group representing the future, options, and centrally cleared derivatives markets.

- **Please describe all matters you have lobbied on related to CFTC jurisdiction in the last two years.**
- **While you were employed by the FIA, Futures Industry Association, were you a registered lobbyist?**
- **If confirmed, how will you avoid any conflicts of interest or ethics issues associated with your lobbying activities and your former employer? Be specific.**

I was registered to lobby on behalf of my client, FIA from June 2016 to May 2017. During this period, I did not lobby on matters related to CFTC regulations. During my preceding employment with FIA I was not a registered lobbyist.

As for the steps I will take to avoid any conflicts of interest, I will not participate in any particular matter before the Commission where the FIA is a specific party or represents a specific party for a period of one year (this will be extended to two years from the date of my appointment by a separate Ethics Pledge required under Executive Order 13770 which President Trump issued on January 28, 2017).

The regulations and policies in place to address any potential conflicts of interest for individuals entering government service are extremely important, and I am absolutely committed to complying with these requirements to avoid conflicts or even the perception of conflicts. If confirmed, I will meet with the CFTC's Designated Agency Ethics Official during the first week of my service in the position in order to complete the initial ethics briefing, and within 90 days of my confirmation I will document in writing my compliance with the ethics agreement. Further, I will have all matters before the Commission screened prior to my review. I will insist that ethical agreements be strongly enforced for myself and all agency personnel.

Senator Sherrod Brown

- 1) In 2016 the CFTC Energy and Environmental Markets Advisory Committee prepared a report that was later withdrawn. I am concerned that balanced viewpoints may not be represented on the EEMAC, or other committees.**

If confirmed to the position of Commissioner to the CFTC, I commit to ensuring a diverse representation of stakeholders on any advisory committee I sponsor.

- 2) If you are confirmed as a Commissioner, do you commit to maintaining balanced committee memberships and leading an inclusive, transparent, and cooperative process?**

Yes. Any advisory committee should be a forum for various views. My experience as a Congressional staffer taught me that the best end products are a collection of ideas. Should I be confirmed, I commit to ensuring a diverse representation of stakeholders on any advisory committee I sponsor, as well as a transparent process for developing any advisory materials presented to the Commission.

- 3) The Commission recently launched a review of swap reporting rules to improve data quality and accuracy and to improve reporting processes.**

- If you are confirmed as a Commissioner, will you work to make sure the review and any resulting rule proposals promote a broad, competitive market among swaps execution facilities, including across product markets?**

Having worked at the Agriculture Committee during the financial crisis, I can attest that swap data reporting was a critical component of the response intended to help regulators better police the development of a new market structure for swaps. If confirmed, I am committed to improving the data quality which will certainly assist the Commission in improving access and operation of swap execution facilities.

- 4) If confirmed, do you agree without reservation to:**
- Reply promptly to letters to the CFTC or requests for information from me and others member of the Committee and the Senate?**

Yes

Senator Gillibrand

- 1) **Do you agree that one of the best ways to protect taxpayers and the financial markets is to separate federally insured commercial banking activities from too-big-to-fail financial institutions, many of whom have complex financial products that may include derivatives dealings?**

As a market regulator, the CFTC is tasked with overseeing swap dealers and futures commission merchants who are sometimes affiliated with insured depository institutions. The CFTC should carry out its regulatory responsibilities for all swap dealers and futures commission merchants in accordance with the statute to ensure these entities are performing their intended function in the markets. With regard to ascertaining the best overall structure of these insured depository institutions, specifically separating commercial banking activities from the investment banking functions, I would defer to Congress in consultation with the prudential banking regulators. That said, I would be happy to contribute any information and data regarding the function of the CFTC-regulated market participants within these institutions should that prove helpful in informing such considerations. If confirmed, I pledge to work with you and your staff on these issues.

- 2) **Do you agree that the CFTC should have the right to request source code from algorithmic trading companies to protect the integrity of the market?**

Yes, I believe there are certainly instances in which the Commission will need access to proprietary codes and even intellectual property of market participants. Access of this nature should be preserved for the CFTC and the manner in which the property is obtained should be carefully considered to ensure that proper protection is afforded to the property owner and that important legal processes are closely followed.

- 3) **Do you agree that the current CFTC budget of \$250 million is not sufficient to provide the human and technological capital to regulate the \$300 trillion derivatives market? Do you believe that implementing a user fee model would provide the funding stability and availability to better guard the derivatives market?**

The Acting Chairman of the CFTC recently conducted a top to bottom review of resource uses and needs at the CFTC. While I do not currently have access to such information, if confirmed, I am committed to a thorough review of this analysis in the context of the agency's new responsibilities. Given the vast universe of end users in these markets, I

would encourage Congress to seek their input into the consideration of any user fee proposal under consideration.

- 4) **Do you agree that a lack of competition among market utilities in the derivatives market – including Swap Execution Facilities, Swap Data Repositories, platforms, and other non-participating parties – could result in a too-big-to-fail scenario, thus posing a threat to the economy and undermining the market for end-users, counterparties, and consumers?**

I agree we should encourage new entrants into the infrastructure that supports our derivatives markets. As the new market structure for swaps continues to evolve, we should seek to minimize barriers to entry. To the extent any infrastructure provider becomes systemically significant, regulators around the world must coordinate enhanced protections and demand compliance.

- 5) **Do you believe that the current U.S. person definition is sufficiently broad to provide the C.F.T.C. enough jurisdictional latitude to guard U.S. markets against pooled risk anywhere in the world?**

Yes.

