

**NOMINATION OF THE HONORABLE ROSTIN
BEHNAM, OF MARYLAND, TO BE CHAIRMAN
AND A COMMISSIONER OF THE COMMODITY
FUTURES TRADING COMMISSION**

HEARING

BEFORE THE

**COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY**

UNITED STATES SENATE

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**NOMINATION OF THE HONORABLE ROSTIN
BEHNAM, OF MARYLAND, TO BE CHAIRMAN
AND A COMMISSIONER OF THE COMMODITY
FUTURES TRADING COMMISSION**

WEDNESDAY, OCTOBER 27, 2021

U.S. SENATE,
COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY,
Washington, DC.

The Committee met, pursuant to notice, at 10 a.m., via Webex and in room 216, Hart Senate Office Building, Hon. Debbie Stabenow, Chairwoman of the Committee, presiding.

Present or submitting a statement: Senators Stabenow, Brown, Klobuchar, Bennet, Gillibrand, Smith, Booker, Warnock, Boozman, Hoeven, Ernst, Marshall, Tuberville, Grassley, Thune, Fischer, and Braun.

**STATEMENT OF HON. DEBBIE STABENOW, U.S. SENATOR
FROM THE STATE OF MICHIGAN, CHAIRWOMAN, U.S. COM-
MITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY**

Chairwoman STABENOW. Good morning, and I call to order today's hearing on the nomination of Mr. Rostin Behnam to become Chairman of the Commodity Futures Trading Commission (CFTC). Congratulations on your nomination, Russ. It is good to see you. I know your wife—I know that Dinah and two of your three beautiful girls are working their way through security at the moment, so we look forward to officially welcoming them, Nina, Farah, and I know that your third little one, Roxana, is a baby at home, so we say hello virtually to her.

I also want to welcome Commissioner Dawn Stump. Thank you for attending today, and I think your support is a testament to Russ's ability to work in a bipartisan manner with fellow commissioners, and yours as well, to be here today. We are very appreciative.

To say that I am excited about Russ's nomination is an understatement. I was very fortunate to work with Russ for several years when he handled CFTC issues for our Committee, and he provided invaluable counsel on matters related to our derivative markets. I have even heard that Russ keeps a poster of Michigan agriculture in his office as a reminder of the important work of this Committee.

The CFTC is critical to ensuring farmers and consumers alike can trust the stability of financial and agricultural markets to hedge their risk. If confirmed, Chairman Behnam will oversee the

CFTC at a time when our markets are undergoing a significant evolution. For example, we are seeing an explosion and growth of digital assets and other financial technologies. With these new technologies, while they are popular, among many consumers they are particularly vulnerable to fraud and abuse and lack the customer protections built into more traditional financial markets.

Many of these digital assets are commodities. If confirmed, Chairman Behnam will need to thread the needle to ensure this industry can continue to innovate in ways that are smart, while posing less risk to customers. I look forward to working with Commissioner Behnam and the Commission in this effort as we consider whether additional legislative authorities are needed.

We are also reaching a tipping point in our response to the climate crisis, as we know, and Commissioner Behnam has been a leading voice in examining how this crisis can impact our financial markets. Without a doubt, the CFTC is small but mighty, and yet even as its responsibilities continue to expand, unfortunately its funding has failed to keep pace. It is inexplicable that the CFTC has been underfunded for so many years. This puts our financial system at risk. The CFTC is the only financial regulator that is not supported by user fees, leaving it particularly vulnerable to dips in its budget.

I am disappointed to see that CFTC, unlike other financial regulators, was not funded at the level requested in the President's budget request, and I am going to continue to fight to get adequate resources for the CFTC to carry out its important mission.

The CFTC also needs a full slate of commissioners to accomplish its mission. I look forward to holding a hearing, as soon as possible, for the two Democratic nominees and working closely with Senator Boozman to have a Republican nominee put forward as soon as possible so we can complete this important commission.

Commissioner Behnam has support from a broad range of stakeholders across the financial and agricultural sectors, and I would ask unanimous consent that their letters be entered into the record. Ordered, without objection.

[The letters can be found on pages 34-37 in the appendix.]

Chairwoman STABENOW. Now as I am turning to my friend and our Ranking Member, Senator Boozman, I do notice, Russ, that your family is now with us, so Dinah, welcome to you and the girls. We are so glad to have your family with us today on this important occasion.

Senator Boozman.

**STATEMENT OF HON. SENATOR JOHN BOOZMAN, U.S.
SENATOR FROM THE STATE OF ARKANSAS**

Senator BOOZMAN. Thank you, Madam Chair, and I am pleased to welcome Mr., or rather Commissioner, Mr. Commissioner Behnam to the Committee as we consider his nomination to be Chairman of the Commodity Futures Trading Commission. I congratulate you on your nomination and your willingness to continue to serve your country. If confirmed, Mr. Behnam will have the Acting title removed and he will officially take the helm of an agency that regulates a wide range of financial products that are essential

tools for end users like farmers, ranchers, municipalities, and pension funds, which use them to hedge commercial risk.

Beyond legacy commodity contracts that market participants have used for centuries to manage risk, derivative markets have also grown to include certain digital assets. While digital assets and distributed ledger technology are revolutionizing financial transactions and the way people manage their money, questions remain as to the proper role Federal regulators should play in encouraging further innovation in digital assets while ensuring that market participants are protected.

Addressing climate change and its potential impact on markets has also been at the forefront of both domestic and international policy discussion and an issue Mr. Behnam has made a priority during his tenure at the CFTC.

Commissioner Behnam, I look forward to hearing your vision for leading the CFTC, particularly as it pertains to any upcoming rulemakings related to climate change and how you plan to engage with other financial regulators to preserve the CFTC's jurisdictions over derivatives, including digital currencies.

Before I conclude my statement I would like to offer a few observations about the nature of the Ag Committee and our special role in the lives of American farmers, ranchers, and rural communities. The Ag Committee is at its best when we work together. Today is an excellent example of this. The Senate received Mr. Behnam's nomination on September 20th, our staffs have worked in a coordinated fashion to review his paperwork and his record, and today we meet in a bipartisan fashion to hear from the nominee, whom I feel confident will be confirmed, and certainly we will support, to be the next Chairman of the CFTC.

Unfortunately, days like today have become less frequent. The Committee has recently strayed from its traditions, and I fear the consequences to American agriculture, our farmers, ranchers, and rural communities. In the last 40 years, in this Committee, regardless of the party that controlled the Senate, there was some level of bipartisan input into the reconciliation process. That tradition ended this year. Consideration of the agriculture provisions of the American Rescue Plan Act earlier this year and the current reconciliation legislation represent the first time in more than 40 years leadership of the Committee has chosen to abandon our bipartisan traditions.

Unfortunately, it appears our country's farmers and ranchers are not being consulted either. I know that I count on the wisdom and experience of our country's producers and the leaders from our rural communities to inform me. I have no evidence that in the development of the reconciliation bill that any input was sought from our major farm organizations. In fact, when I asked them if they were consulted, they tell me that they were not.

Many of our fellow citizens who live in rural America believe that people in Washington think—and I stress think—they know what is best for our farm families and our rural communities. There is a feeling among many of the people who do not live in our Nation's cities that their political leaders do not value their expertise or their opinions, and do not understand their lives.

When the Senate Ag Committee decides to forego the expertise and the opinion of those we are entrusted to represent, we are not living up to what should be our commitment to our farmers, ranchers, and rural communities.

With that I yield back, and we look forward to your testimony. You have got a wonderful little family there, and they have got to be your greatest asset.

Thank you, Madam Chair.

Chairwoman STABENOW. Thank you, Ranking Member Boozman, and I am going to officially introduce Commissioner Behnam now.

I do want to say, though, in response to my friend, Ranking Member, that while unfortunately the reconciliation process over both times and over recent years has been a partisan process, I do want to thank the hundreds of organizations that have given input to what is being recommended on climate-smart conservation and forestry and so on, and much of this being taken from our hearing on forestry that we did together, which was so excellent, and our work on Growing Climate Solutions, which, of course, is bipartisan.

I want to thank the, literally, several hundred organizations, including every mainstream agricultural group in the food and agriculture alliance that has been working so hard on the issues around addressing the climate crisis in a way that works for farmers and ranchers and foresters. We thank all of them for very important input and support, and look forward to moving forward, as always on this Committee, in a bipartisan way to address their needs.

Commissioner Behnam was unanimously confirmed as Commissioner in 2017. Before that, he served as Senior Counsel on our Agriculture, Nutrition, and Forestry Committee. As a practicing attorney, he worked at the New Jersey Office of the Attorney General within the Bureau of Securities. Russ earned an AB from Georgetown University and a JD from Syracuse University College of Law.

During his tenure, Russ has shown tremendous leadership and have been on the forefront of issues critical to global market stability. As one of the first financial regulators to ring the alarm on the climate crisis, his Climate Subcommittee authored a landmark report analyzing the significant risks climate change poses to the financial system, with input from members of the agriculture and energy markets, financial industry, and the environmental public policy sector. That is the kind of foresight we need, frankly, strengthening the markets for the risks to come.

Under Russ's leadership, the Market Risk Advisory Committee played a leading role in the transition to a new benchmark interest rate to improve the transparency and reliability of interest rates for certain loans and contracts.

Russ, your experience in financial markets and agricultural communities will make you an excellent leader to steer the CFTC in the face of new challenges, and I look forward to hearing more about your vision for the Commission moving forward.

Before doing that, I do have a couple of questions that I need to ask you. If you would rise first of all, to administer an oath we have to do for all of our nominees. Please raise your right hand.

Do you swear or affirm that the testimony you are about to provide is the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BEHNAM. I do.

Chairwoman STABENOW. Thank you. 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.

Chairwoman STABENOW. Thank you very much. You may now proceed with your opening statement.

**STATEMENT OF THE HON. ROSTIN BEHNAM, OF MARYLAND,
TO BE CHAIRMAN AND A COMMISSIONER OF THE COM-
MODITY FUTURES TRADING COMMISSION**

Mr. BEHNAM. Chairwoman Stabenow, Ranking Member Boozman, members of the Committee, it is an honor to sit before you today as a nominee to serve as Chairman of the Commodity Futures Trading Commission. I extend my gratitude to President Biden for nominating me, and Chairwoman Stabenow and Ranking Member Boozman for holding this hearing today.

I would first like to recognize and thank my wife, Dinah Bengur, and our daughters, Nina and Farah, for being here today, and send my love to our youngest daughter, Roxana, who is at home. I would like to thank my parents whose hard work and sacrifices have provided the safe footing for each of my steps, both personally and professionally.

I would like to acknowledge a few people who are here. My in-laws, Vicki Schultz and Oz Bengur, who have been extremely supportive to me and Dinah; also my chief of staff, David Gillers; and a few of my staff back at the agency, Laura Gardy, John Dunfee, and Alicia Lewis. I would also like to thank my friend, Greg Stallkamp, and his family. They came from Chicago. Greg is an original Michigander and he introduced me to Northern Michigan, so I am indebted to him for life.

Finally, I would like to acknowledge Commissioner Stump, who, Chairwoman, you acknowledged as well. She is a great colleague, she is a great advocate and asset for the Commission, and above all else she is a good friend.

Finally, I would like to thank you, Chairwoman Stabenow. In July 2017, sitting before this Committee, I committed to you that I would endeavor to use your values and balanced judgment as a compass for my own actions. I hope I have fulfilled that promise, and recommit to the same if confirmed as Chairman.

Much has changed since 2017. The COVID-19 pandemic has had profound impacts on global financial markets, the U.S. economy, and most importantly on our daily lives. Like all Americans, CFTC staff have adjusted routines, impressively fulfilling the agency's mission while facing unprecedented challenges. The CFTC's future success starts and ends with building a diverse, expert staff supported with appropriate resources and leadership.

From a market integrity and resiliency standpoint, I am proud to report to this Committee that the U.S. derivatives markets performed very well during the pandemic's early 2020 onset. Leaning on post-financial crisis reforms, CFTC markets met historically un-

precedented volume and volatility with the powerful benefits of central clearing, capital and margin requirements, data reporting, and increased transparency.

As the U.S. economy strengthens, CFTC-regulated derivatives markets will play a critical role in ensuring a complete recovery, including in the rural economy. America's farmers and ranchers have long relied on derivatives markets to manage risk and discover prices. If confirmed as Chairman, the CFTC will continue to engage, listen, and decisively act to support American agricultural producers.

Additionally, manufacturers, energy producers, pension funds, financial institutions, and countless other small and large businesses rely on derivatives markets to manage risk. Safe, transparent, liquid, and well-regulated derivatives markets are a critical component of a healthy, vibrant U.S. economy. The CFTC will do its part to promote, ensure, and to protect market integrity.

Looking forward, domestic and global coordination remains an agency priority. Early 2020 hearkened back to 2008, reminding us that the interconnectedness of global financial markets requires persistent engagement toward maintaining resiliency and protecting the financial system and U.S. economy from future crises.

More specific to the CFTC, clearinghouses play a critical role in the safety and soundness of the financial system. In addition to annual CFTC examinations of systemically important clearinghouses, I believe continuous discussion among regulators and market participants about emerging risks and evolving market structure is critical to strengthen resiliency.

Customer protections are at the heart of the CFTC's mission. If confirmed, I will prioritize policy that invigorates a culture of compliance reinforced by an enforcement program that roots out fraud, manipulation, and market abuse, and sends a strong, clear message to bad actors, particularly at a time of rapidly advancing technology.

Cybersecurity remains an ever-present priority. As we collectively face greater threats, clearly executed cybersecurity strategies will benefit all market participants and the resilience of the American economy. The stakes are simply too high to fall short on a full commitment of resources and expertise.

I will end my statement with a few words about new and emerging risks and opportunities. The pandemic has taught us much about the importance of preparing for extreme but plausible events. In March of this year, I formed the Climate Risk Unit to explore the CFTC's role in managing climate-related financial market risk, and supporting an orderly transition. Derivatives will play a key role in market-based solutions. While focusing on the risks climate change poses is imperative, I do not want to lose sight of the opportunities that are endemic to a transition. I believe the CFTC must play a role in this market growth if the larger transition goals are to be met.

Finally, the growth and widespread adoption of digital assets presents many novel issues for all regulators. Against this backdrop, the CFTC has actively used our existing statutory authority to stop and deter fraud and manipulation in these emerging markets. If confirmed, the CFTC will continue its proactive approach

to protect customers and strengthen market resiliency. I look forward to working with this Committee to reexamine—and, if appropriate, expand—the CFTC’s authority to ensure both the benefits and promise of the emerging digital asset market and the underlying technology can be harnessed without undue harm to customers and financial market stability.

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

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

Chairwoman STABENOW. Well thank you very much, and let me begin where you ended, in terms of digital assets, because as you have indicated, we are seeing a rapid expansion in the trading of digital assets and the market is volatile and a target for fraud presenting significant risks for investors. Could you talk a little bit more about what you believe the CFTC can do, should do in protecting customers, promoting transparency, and at this point, do you think that the agency needs additional authority and resources to really achieve the goals that you think are important to achieve?

Mr. BEHNAM. Thanks, Senator. The CFTC has responsibly but aggressively been pursuing enforcement cases in the digital asset marketplace for a number of years now. We have been one of the few cops on the beat, because of limited statutory authority related to anti-fraud and anti-manipulation. Even in the past few months alone we have brought a \$100 million case against a digital asset exchange and a \$40 million case against a stablecoin.

This is the tip of the iceberg. As of yesterday, the total size of the digital asset market was \$2.7 trillion, and among that \$2.7 trillion, nearly 60 percent were commodities. With that in mind I think it is important for this Committee to reconsider and consider expanding authority for the CFTC.

This would certainly be a departure from our historical role as a derivatives regulator, but given the size, the scope, and the scale of this emerging market, how it is interfacing and affecting customers, retail customers, and then with the scale of the growth being so rapid, potential financial stability risks in the future, I think it is critically important to have a primary cop on the beat, and certainly the CFTC is prepared to do that, if this Committee so wishes.

Chairwoman STABENOW. Well, thank you, and I look forward to working with you. I know our whole Committee will be very interested in exploring this more and what is the appropriate role, what additional authorities would make sense to be able to manage the risk and address the fraud, which obviously is a very important responsibility for the CFTC.

Our American farmers and ranchers and agricultural consumers depend on the derivative markets for price discovery and to manage risk. This reliance assumes a strong commitment to promoting market integrity and customer protections. Are agricultural futures still an effective risk management tool for producers, and if confirmed, how would you engage with our producers and prioritize issues of interest to them?

Mr. BEHNAM. Thanks, Senator. Based on conversations I have recently had with producers and folks across the country, U.S. fu-

tures markets are working quite well for American agricultural producers. That said, we have worked very hard in the recent past to address a number of issues around price transparency, convergence, and the emerging role of technology in our markets.

We will continue, especially if confirmed, to engage directly with American agricultural producers here in D.C., but more importantly, across the country, which I know is a big commitment from all of the Commission. With new emerging risks we definitely need to engage on a one-to-one basis to ensure that any issues that may arise are addressed in a timely and effective way.

Chairwoman STABENOW. Thank you, and speaking of new emerging risks again, as a commissioner you have shown leadership in calling for regulators and market participants to examine the risks that the climate crisis poses to our global financial system. You know, we have recently passed, with a strong bipartisan vote, the Growing Climate Solutions Act, and now, as we are moving forward, what role, if any, should the CFTC play with respect to the emerging voluntary carbon markets?

Mr. BEHNAM. Thanks, Senator. I think, really quite simply, in thinking about the Growing Climate Solutions Act, you are creating a financial market. The efficacy of allowing foresters to sequester carbon and then get paid in lieu of that is really based and contingent on a well-functioning, transparent financial market, where the credits can be bought and sold.

We have seen this in the past, and I think it is important for a regulator like the CFTC to be a part of that conversation so that we can share our expertise, our decades-long expertise in establishing markets that have integrity, that have the core components of a well-functioning market, which are pre-trade and post-trade transparency, clearing, settlement, best practices, and a number of things that will preserve and ensure a fair, transparent market that is free from fraud and manipulation.

Chairwoman STABENOW. Thank you. I see my time is up. I will turn now to Senator Boozman.

Senator BOOZMAN. Thank you, Commissioner. You mentioned the Growing Climate Solutions and the importance of developing that market. You would agree that that market needs to be in the public sphere versus the government trying to do that?

Mr. BEHNAM. Senator, I agree with that. I would suggest that if the bill is passed and signed into law a market like that could certainly benefit from the experience and expertise that the CFTC has as a commodity regulator. I think the last thing that you would want, or other members who are strong advocates for that bill is to see the market side of that effort fail, because if it does, like I said earlier, the soft of driving point of the bill itself will not be accomplished.

It is important to have those elements of a fair, transparent market functioning well so that those credits can be bought and sold in an appropriate way.

Senator BOOZMAN. A fair and transparent market, again, in the public sphere, you know, not the government. I am sorry. The market being such that it is bought and sold, as markets are now, versus the government being the one that is buying and selling.

Mr. BEHNAM. Absolutely. Yes.

Senator BOOZMAN. Very good. Aggressively addressing climate change has been at the forefront of many regulatory decisions coming out of the administration. I think it is fair to say that you hope it will be one of your legacy issues. In February 2020, you spoke at the Crop Insurance and Reinsurance annual meeting where you discussed the effects of severe weather relating to insured losses and inability to plant vital crops.

You also mentioned transition risks relating to transitioning to a low-carbon economy through carbon-neutral energy sources. You mentioned the possibility of assets being stranded in wholesale portfolios such as coal mining, power generation, oil and gas being especially exposed to transition risk. I commend you for identifying there are larger economic repercussions if the execution or transition to carbon neutrality is not done in a thoughtful or calculated manner.

Can you expand a little on your past remarks and talk about the risk involved in moving too far, too fast, and what systemic risk climate change poses to financial markets?

Mr. BEHNAM. Thanks, Senator. Certainly transition risk is arguably the most important challenge that we are going to face, because it is going to require a delicate balance of moving forward toward carbon neutrality but not moving too fast, because statistically it has been pretty clear that we do not have alternative power sources and energy sources to meet the demand that we currently have with traditional carbon-based energy sources.

We have to move forward. I do think that if we do not move forward at a quick enough clip then we are going to have larger sort of disasters and systemic issues that arise. We have to be mindful of current demand from consumers and Americans across the country and making sure those are met by either current energy sources and emerging new energy sources.

I think from a systemic standpoint I do not think climate change poses a systemic risk to the financial system at this moment. There are some sub-systemic shocks that have been occurring across the country, and I would just identify floods in the Midwest, forest fires out West, hurricane season in the Gulf Coast or the East Coast. You can see how each of these weather events, as they are becoming more frequent and more extreme, creates sub-systemic shocks to the region, and potentially the financial system.

My concern is as we go forward that you are going to have more frequent weather events, and if they are compounded or simultaneous then that could pose a larger threat to the financial system. As I pointed out earlier, we have learned quite clearly from 2008 and 2020 the interconnectedness of the financial system, so even if you do have failures or issues within liquidity crises or clearing in one region or one area of the country it could certainly have downstream effects across the rest of the country.

I think those are things we need to be mindful of at this point as we move forward in addressing some of the climate issues and risks that it poses to the economy.

Senator BOOZMAN. Very good. There is talk now of financing the massive spending bill that is potentially going to be on the floor, taxing unrealized gains. Do you have concerns that we have the knowledge as to the financial risk related to that, the financial pos-

sibilities as people, you know, try and cash in, try and do this and that, to pay for those unrealized gains?

Mr. BEHNAM. Senator, I do not know. I have not looked at the sort of repercussions that might exist.

Senator BOOZMAN. You agree that there is potential for real repercussions in that regard?

Mr. BEHNAM. There would be potential outcomes if, you know, a lot of investors started to liquidate positions, but I cannot tell you—

Senator BOOZMAN. It might be good that we actually studied that before we went forward.

Mr. BEHNAM. I am happy to look into it, and if we can be of service or a resource we will certainly provide that.

Senator BOOZMAN. It certainly would affect the portfolio that you are commissioner of?

Mr. BEHNAM. I would imagine that investors that have positions in futures or swaps may change their position or their strategy based on tax law.

Senator BOOZMAN. It probably would be a good idea for somebody to ask you.

Mr. BEHNAM. It should make sense. I guess from my standpoint, from a regulator standpoint, I have to ensure market integrity, resiliency, and the lack of stability issues. I do not know if a changing portfolio because of tax policy would necessarily present stability issues or market structure issues. It would certainly change valuations, but I am not a price-setting—we are not a price-setting agency. We are just looking at stability issues.

Senator BOOZMAN. Thank you, Madam Chair. Thank you very much.

Chairwoman STABENOW. Thank you very much. We next have Senator Brown with us, I believe remotely, and then Senator Marshall will be next. Senator Brown?

Senator BROWN. Thank you, Madam Chair, and Acting Chair Behnam, good to see you again. Congratulations on your nomination, of course.

I want to focus on enforcement and ensuring penalties are appropriate. Specifically, we discussed in the past, and I know we have a meeting, more than one, scheduled later this week, about the practice of allowing corporate bad actors to cooperate on self-report in exchange for smaller penalties, a tradition that frankly does not work very well. I am concerned that practice, putting it mildly, does not improve compliance.

How does the agency balance cooperation with good enforcement and ensure that compliance improves?

Mr. BEHNAM. Thanks, Senator. It is an important question and I will say, at the onset, I am fully supportive of cooperation. I think it is a good strategy for law enforcement agencies, both civil and criminal. You rightfully point out having the right balance is really critical to ensuring a credible cooperation program, where creating incentives for folks to come in and report either intention or unintentional wrongdoing, but also we do not want just a slap on the wrist. We want to put a penalty in force that is going to deter future bad acts. That is really, in my mind, building a culture of compliance, holding individuals accountable, from the lowest ranking

to the most senior ranking, and changing the culture and the attitude of the firm so that we are not just having an enforcement program that is the cost of doing business. We really want to steer away from that.

I think in the past few years we were a little bit out of balance, and if confirmed, I certainly am going to reevaluate our cooperation program and ensure it is balancing both those incentives with the appropriate penalty so that we do not have recidivist actors in the future.

Senator BROWN. Thank you. Chair Stabenow touched on this. I wanted a little more depth and detail from you. Your agency and other Federal regulators have been looking at digital assets and cryptocurrencies, including working together as part of the President's working group on a report on stablecoins. I chair, as you may know, the Banking and Housing Committee, and we have great interest in this, jurisdictions of the different agencies potentially overlap. There are two members of this Committee that sit on the Banking and Housing Committee, Senator Smith and Senator Warnock, and I know they have interest in this.

Are there additional tools that would be helpful for CFTC on this?

Mr. BEHNAM. Absolutely, Senator. We are a market regulator. We are one of two, as you well know, with our sister agency, the SEC, and the markets and the market transactions that are taking place right now are a huge part of the risks that digital assets pose. I think it is important to have a full, encompassing conversation about prudential risks, banking risks, clearing and settlement risks. We really also need to have a conversation about market regulation and sort of the exchange, the purchase and sale of these coins in a regulatory structure for both the securities and the commodities.

Senator BROWN. Thank you. I appreciate the progress of this Administration on diversity. Never enough but far, far, far better than his predecessor, and really predecessors. I am especially interested in diversity where it has, frankly, been at some of its worst, and that is financial regulators. I would like to hear—and I go through the whole not just your agency but the Fed and Treasury and OCC and FDIC and more—I would like to hear about what you have been able to do so far, and if confirmed, how you would do more to improve diversity at the agency.

Because you understand, I think, Mr. Behnam, you understand that a more diverse agency is better government. Just like my office and my committee staff, its diversity helps me come to better conclusions because I hear different aspects and different views and different approaches, and we all, as our friend, Paul Wellstone, used to say, "We all do better when we all do better." Talk about that in the last minute or so, if you would.

Mr. BEHNAM. Thanks, Senator. I agree with you completely, and since I became Acting Chair I created the Chief Diversity Officer within our Office of Minority and Women Inclusion. This is a new position, and my goal really for this position is to create an all-agency effort to recruit at the lowest levels but also at the senior levels of leadership so we can have that diverse work force.

There is no doubt right now, as an agency we are behind, and we have a lot of work to do, but I am very hopeful that this new position, with support from the Chairman's office, the Commission and staff, will do more recruitment, activity, engagement with communities across the country so that we are not only recruiting senior-level executives and senior-level professionals but creating a bench for the future.

Our budget constraints over the past decade have affected our ability to recruit and retain, and I am hopeful that going forward we can do a better job of sort of being on par with the other financial regulators to recruit through Summer Honors Programs or a Pathways Program for young graduates so that we incentivize and create a reason for them to come into public service and stay there for a career.

We are going to lose a lot of people over the next five to 10 years because of attrition and retirement, and I really think it is important to recruit the next generation of public servants through a wide-ranging campaign that is certainly implementing diversity, inclusion, and equity across the board.

Senator BROWN. Thank you, Mr. Behnam. Thank you, Chair Stabenow.

Chairwoman STABENOW. Thank you very much, and I believe that Senator Marshall has stepped out for a moment so we will turn to Senator Tuberville.

Senator TUBERVILLE. Thank you, Madam Chair. Thank you, Mr. Behnam, for being here today. Thanks for your service.

You know, if confirmed, rural America is going to be counting on you to be their voice. You have been on the team. Now you are getting ready to be the leader. That is a huge step. You know, our Nation's farmers and ranchers, they rely on the derivatives market to hedge risk to protect them from the losses of a bad year, which we have had several, especially in my State of Alabama over the last few years with the weather.

You know, to speak for rural America you have got to know rural America, and our country's agriculture industry is the envy of the world and we need to keep it that way. Your predecessor, Dr. Tarbert, went above and beyond, you know, to engage with the ag community and folks outside Washington, DC. and Wall Street. He set the gold standard. You have got big shoes to fill and I hope you are able to do that.

What have you done in the time that you have been on CFTC, you know, in the last few years, to get yourself immersed into the rural communities?

Mr. BEHNAM. Thanks, Senator Tuberville. Great question and I fully appreciate your point about us committing as an agency to rural America.

I will tell you, I spent six and a half years working on the Ag Committee as counsel, and I grew up in northern New Jersey. I was not very familiar with rural America and the challenges that rural Americans and agricultural producers face. Those six years opened my eyes. It afforded me the opportunity to travel across the Midwest and visit farms and ranches and talk to producers and see what challenges they are facing and the challenges of our food system and why we are the envy of the world.

Since becoming a commissioner I have taken several trips across the Midwest. That was sort of put on hiatus because of the pandemic, but my goal and my sort of strategy is direct engagement. I love to travel. I love to visit folks. I love to sit down and talk to them one-on-one and hear about their issues, and really relating it back and leaning on my experience of working on a farm bill and working on several pieces of legislation that deal directly with Rural America and American agriculture, and having those personal relationships so that I can be more empathetic in terms of understanding the challenges that folks face that I did not necessarily understand or appreciate growing up.

If confirmed, I am going to continue that strategy, continue outreach. We are going to do our best as an agency-wide effort to make sure that we are engaging with producers and the entire constituency of American agriculture, and hearing their voice and hearing their challenges and taking action in a very expedient way so that, as you point out, these markets continue, as they have for the past 150 year, serving the purpose that they are fit for.

Senator TUBERVILLE. Yes, our farmers and ranchers, they are struggling in some areas. You need to hear their voice, because I hear them every day, and I want to invite you to come down to Alabama, once confirmed.

During your time as Acting Chairman you have tied up a lot of our agency resources looking at climate risk. You released a report last year with recommendations that were largely outside the CFTC's jurisdiction. What do you view as the agency's role when it comes to climate? Give me your definition.

Mr. BEHNAM. We are a risk management agency, and for decades, quite frankly, we look at weather. We look at climate change, because we have to see what it means for agricultural producers, for energy providers. I think as the climate is changing and we are seeing a more broad-based effort from the private sector to address climate change, both the physical impacts and the transition risks, we, as an agency, need to keep up with that. We need to make sure delivery points for grains are not having challenging because of weather events. We need to make sure that flooding events in the spring is not affecting planting season or harvest. We need to look at the forest fire season out West and see how that is affecting the American rural economy and the sort of fruit bowl in California. These are all issues that I think are directly related to the agency.

On the one hand we need to support market-based solutions of innovative futures product and derivatives products that are going to help your farmers and ranchers hedge risk. On the other hand, we have to support transition, which can be anything from developing and supporting carbon markets or coming up with solutions in the interest rate space or the currency space so that investors can put money toward renewable sources of energy and other things that will help the transition, as Senator Boozman pointed out, rightfully, be smooth and not too imbalanced, because those are going to be serious challenges.

My goal is to listen, to convene, to have a conversation, and to really work in tandem with what the private sector has done, and is doing, so that we can be a part of the conversation and ultimately support it. Because there is the climate risk management

portion but there is also the supporting the transition, and I do think the agency can and should play an important role in both.

Senator TUBERVILLE. Yes. One last question. Being the leader of this group, do you foresee adding climate scientists to your staff, or do you have any now, or are people more in tune to what is going on in climate other than, you know, what I call you guys, bean counters or whatever?

Mr. BEHNAM. We do not. Senator, we do not have any positions for a climate scientist at the agency. We are predominantly an agency of lawyers, investigators, economists, and accountants. As I said earlier, because of the nature of our job and the relationship with product agriculture, energy, and other commodities, we have always been in tune to weather and climate, and I think we will just continue that going forward without having to bring on any climate scientists.

Senator TUBERVILLE. Basically you are going to use the experts' opinion, which is what we all should do.

Mr. BEHNAM. Correct.

Senator TUBERVILLE. Yes. Thank you. Thank you, Madam Chair.

Chairwoman STABENOW. Thank you, Senator. Now Senator Gillibrand will join us remotely.

Senator GILLIBRAND. Thank you, Madam Chairwoman. Thank you so much for appearing in front of this Committee today and congratulations on your nomination.

As you are aware, producers, such as dairy farmers on the ground in New York are impacted by the futures market. Their lives are directly influenced by market changes in the policies that you will develop and implement. If confirmed, will you commit to visiting New York State producers to see the boots-on-the-ground effect of the agency that you will continue to lead?

Mr. BEHNAM. Senator, absolutely, and I am proud to say that I think I have taken two trips already up to central New York and visited a number of dairy farms up by Utica and Syracuse. I am looking forward to going back and certainly working with your office to support New York dairy.

Senator GILLIBRAND. Thank you. In September 2020, the CFTC released a report entitled "Managing Climate Risk in the U.S. Financial System." Recommendation 4.1 from your report states, "All relevant Federal financial regulatory agencies should incorporate climate-related risks into their mandate and develop a strategy for integrating these risks in their work, including into their existing monitoring and oversight functions."

Can you briefly explain the challenges that climate change poses to financial markets and what would your plans be to implement the recommendations of the CFTC? In your opinion, how can the CFTC address the challenges of climate change?

Mr. BEHNAM. Thanks, Senator. The first part of your question, in terms of what risk climate change poses to financial markets, you know, I use hypotheticals and examples frequently. July 2018 to June 2019 was the wettest year on record in the Midwest, and we can imagine growers in the Midwest not being able to plant seed and certainly harvest, and what does that mean for their ability to pay their loans, to generate revenue? Then when they are unable to generate revenue because of a lack of harvest, what does

that mean for the loans they have to a regional or a local bank or a credit union? That is a very simple micro-example but you can see how that may cascade if it is across multiple States or multiple regions, and then it is compounded with other weather events across the country.

These interconnected links between the financial system can have compounding effects that ultimately provide, or at least could suggest a sub-systemic or ultimately systemic shock to the financial system. Those are the types of physical risks that we have to be mindful of and the feedback loop that would result from it.

In terms of what the CFTC can do, we are obviously very focused on derivatives, futures swaps, and options, and these products, at their core, provide risk management and price discovery, and in the transition away from carbon-emitting energy sources and to neutral economy, these products are going to be invaluable to supporting the allocation of capital toward renewable energy sources and then just managing risk on a day-to-day basis for American producers but also large and small businesses.

My goal, if confirmed, is to convene a large group, to talk to manufacturers, to talk to ag and energy providers, to talk to public interest groups and financial institutions, as I was saying to Senator Tuberville, see what they are doing and then work along with them so that we can support both managing and mitigating physical impacts but ultimately supporting the transition in a thoughtful way that does not create unintended consequences.

Senator GILLIBRAND. Well, that makes sense. Earlier this year, President Biden issued Executive Order 14030, which focused on climate-related financial risk. One of the goals of this Executive order was to encourage the Treasury Secretary to work with Financial Stability Oversight Council (FSOC), of which you are a member as Chair of the CFTC, to assess climate-related financial risks to the stability of the U.S. financial system.

I know that last week FSOC released a new report in response to that Executive order. How else would you leverage your experience sponsoring the Market Risk Advisory Committee and your position as a councilmember of FSOC to further realize the goals of this executive order?

Mr. BEHNAM. Thank you, Senator. You know, I have been working on this issue for a number of years, have gained a lot of experience through engagement with all sorts of entities and companies across the value chain that touch every part of our economy. I have certainly had a number of conversations with the Secretary and my other colleagues who had different financial regulators. I am very encouraged by the work the FSOC is doing under Secretary Yellen's leadership, and I think we are heading in a very positive direction.

I think the CFTC has a rich dataset. We have a rich history of managing climate risk and risk generally. We, I think, are going to be able to participate in the larger macro conversation of what are better disclosures for investors, what is the language we want to speak, which is taxonomy, what are the standards that we want to have across the board so that the systems we are putting in place to transition to a net zero economy are efficient and effective, and then, ultimately, what we can do within the CFTC ourselves,

mostly within the voluntary carbon markets or some of the other innovative products that are being listed that have to do with ESG or natural resource risk management.

We are seeing a number of those products, market-based solutions again, that are starting to be listed on our exchanges, which is very encouraging, and quite frankly, just a sign of the times about what the market and what financial institutions are thinking and what their customers are demanding.

Senator GILLIBRAND. Thank you. I know my time has expired, Madam Chairwoman. I would like to submit for the record two series of questions, one about cyber and one about the derivatives market. I am also on the Intel Committee so I am doing a great deal of work on the cyber area, so I would also like to arrange a meeting with you to talk about some of my cyber concerns post this hearing, if that is okay with you.

Mr. BEHNAM. Absolutely. I look forward to it.

Senator GILLIBRAND. Thank you. Thank you, Madam Chairwoman.

Chairwoman STABENOW. Absolutely, and thank you. Those are such important issues.

We will now turn to Senator Braun and then Senator Smith. Senator Braun?

Senator BRAUN. Thank you, Madam Chair. Mr. Behnam, good to be talking to you here today. I have been involved in agriculture for nearly 30-some years, and I remember when I was in farming entity and using the Board of Trade and those options. Sometimes that was the only way you could carve out a profit. Back in the days of the LDPs and direct payments, that was a big tool to pull the trigger on. Oftentimes it was when you would do a hedged or arrived contract then have to fix in the basis was the most difficult part of it.

That is an example of what farmer have to do every day to be successful in a very thin margin. My concern would be with the biggest player out there, rather than us, which is China. China has really shown itself to be, in a variety of markets, a country that is willing to shortcut the process when it comes to something more complicated than growing corn and beans and then selling it with intellectual property, and just a place that you have to pay attention to.

Do you fear that at some point down the road—and to me, my observation was they did not adhere to some of the agreements they had in place during the Trump administration. Commodity prices were a little soft. All of a sudden when that political situation got resolved in November, all of a sudden, farm prices go way up, and a lot of it had to do with China then exercising what it was supposed to have done.

For all the good things we do here, providing the marketing tools that the Board of Trade and the Mercantile Exchange give us, what about a player that is out of bounds with the way most other countries operate? Does that complicate your job? Would you hold them accountable for it if you saw them doing something to pricing that was caused by them and not by the markets?

Mr. BEHNAM. Senator, thanks for the question. To address the second question first, naturally there would have to be some tie or

some relationship with our law and our enforcement authority. We would certainly look at any action, and take action if we could, but again it would be subject to any authority we had.

The larger question about the issue you raised is important, and I will say I have been focused on it. I have been having a lot of bilateral conversations about it internally, here in the U.S., and then also externally, overseas. I think one point to take away, and you know this well—you essentially said it—is the U.S. has historically been the gold standard for benchmarking commodities, and we continue to be, anything from ags and energy to precious metals as well, in certain circumstances. I think it is very important for this Committee to hear that, from a national security perspective, we should aspire to remain in that position. We are seeing emerging markets grow across the world, and rightfully so as we are having more diverse markets sort of develop in different parts of the world, that is natural outgrowth of it, whether it is in any part of the world.

I do think, given the size of our economy, given national security concerns, and the historical reference of many of these commodities being benchmarked here, whether it is WTI crude or corn and beans or any of the previous metals that are critical to our economic infrastructure, we should do everything we can, and I certainly look forward to working with you to keep it that way.

Senator BRAUN. It is interesting because China, just a few decades ago, was a developing country. Now they want to still maintain that status. They are about a \$14 trillion economy. We are about a 22. EU is about 20. You add all that up, that is a lot with just a few players. We have got some issues but not the kind that I am talking about with China, even with the EU.

I think we are that place that sets the standard is the clearinghouse for how you price things. We have never had a geopolitical opponent, in my mind, that has got the capability, especially somewhere down the road when they are larger than we are. They, to me, look like they stage things and do reveal some of their behavior in the short run, be wary of it in the midterm and long term.

One other question before my time runs out. I think your entity has been running since 2013, where you are not authorized but were still funding it. That should be an anomaly, not something that we do routinely. What is your feeling about that, and what do you intend to do to get it back into a place where you are authorized and appropriated?

Mr. BEHNAM. Senator, you are right. Obviously doors have been opened and we are doing our job and fulfilling our mission, regardless of the lack of authorization. It is important. It is important for morale at the agency. It is important for a mandate from the authorizing committee in the Congress to do our job. If confirmed, certainly I welcome to work with you and other members of the Committee to create a smart, balanced, measured, reauthorization bill that addresses these new challenges that we are facing, whether they are overseas or domestic, and really looking forward for the agency. Because over the past 10 years we have had some uncertainty around our budget, and in my current role as Acting Chair, just in the past 10 months, as the sort of CEO of the agency, I have observed the repercussions of that, and they are real. I think cer-

tainty and a recognition of the importance of the agency, an increasing consistent budget will help us do the job that we need to do so that we can prevent crises, whether it is in traditional ag markets, energy markets, or the growing digital marketplace.

Senator BRAUN. I am glad to see you are of that opinion. We need to do so. Thank you.

Chairwoman STABENOW. Well thank you very much, and I agree, and I know that Senator Boozman and I will be working on that together with the whole Committee on how we move forward on re-authorization.

We will now turn to Senator Smith and then Senator Marshall.

Senator SMITH. Thank you, Madam Chair, and it is wonderful to see you again. Thank you so much for our conversation yesterday. I appreciated it. I really appreciated the spirit of putting consumer protection front and center of your work and the work of the agency, and it is wonderful to see your family here also, so thank you.

When we spoke yesterday, I talked about my concerns about the largely unregulated cryptocurrency and decentralized finance markets that are attracting billions of dollars in investments from Americans. As we discussed, the United States has the best, most trusted markets in the world, in large part because financial regulators keep a close eye to root out fraud and manipulation, so that people can truly trust these markets.

While you can certainly lose money when your investments perform badly, regulators have worked really hard to make sure that banks and broker-dealers and derivatives merchants are not stealing people's money. This is incredibly important.

I am concerned, though, that many consumers do not fully understand the risks of fraud and market manipulation in some of these unregulated digital asset markets, and I was glad to see that you mentioned recent data talking about how this impacts communities of color, in particular.

Chair Behnam, could you just share with us how you see this, what you see as the most significant risks to ordinary investors in these new markets and how they disproportionately affect communities of color?

Mr. BEHNAM. Thanks, Senator, and I appreciate the conversation yesterday as well. You know, the emerging technologies and the tokens and the coins that are associated with them, they sort of hit the market in a very loud and bright way for the past number of years. If you look at charts, there has certainly been a lot of volatility, even in the recent past few months. If you look at the price from 10 years ago to now, it has appreciated quite a bit. I think a lot of people have made quite a lot of money off of it, and they view that as an opportunity to make more money in the future.

As we know, history tells us, with markets, there are movements up and down, and I think without a clear, transparent regulatory structure, which I think will certainly benefit the market itself—to your point, we have the deepest and largest and most trusted derivatives markets and capital markets in the world because of the regulatory structure we have here, and I firmly believe that. Some may differ in their opinion but I firmly believe that.

I do think with the emerging technology and the vision for what these coins and these crypto assets contemplate—because there is

a whole vision for the future of the internet behind these coins—that if we were to build a transparent, thoughtful regulatory structure it could benefit the market and the larger technological goal.

Customers are certainly looking at this right now as a speculation. It is touching retail customers, and as you pointed out and we discussed, there is a large portion of the community of people of color that are invested in this. There could be many reasons, but this goes to our banking system, and potentially underbanked communities, and the ease with which folks are able to purchase and sell these coins, to transfer money or to buy different things.

Those are the types of issues and concerns that raise red flags for me, and I think hopefully for you as well, so we can come up with thoughtful legislation that would give the agency more authority and ultimately protect customers.

Senator SMITH. Thank you very much for that. I appreciate your perspective on this, and I think that we share the same approach as we make sure that people have opportunities to participate in a market that is free and transparent and can be trusted.

Minnesota is home to the Minneapolis Grain Exchange, which is a small but very important institution for farmers and users around the country, as well as for the local community. Complying with CFTC rules for the Minneapolis Grain Exchange takes significant resources, but their customers are much better off because they know that they can buy and sell grain and other commodities futures there on a closely regulated market, free of fraud and manipulation.

I am concerned about these emerging, decentralized finance vehicles and how they might undermine the regulated markets and give an unfair advantage to firms that are operating outside of CFTC rules, potentially illegally.

How do you view these financial innovations that seem to be ignoring, or seeking even to dodge requirements to operate within kind of longstanding Federal regulatory frameworks?

Mr. BEHNAM. Thanks, Senator. It is important for us, I think, collectively, to be balanced in our approach and understand that innovation will change market structure over time, but we can move too quick. Our financial system and the infrastructure that it is built on, which, in large part, is intermediation, right. It is a customer going to a broker, an Futures Commission Market (FCM), or going through an Introducing Broker (IB) or an associated person and getting access to markets. A lot of this decentralizing of finance is exactly that—it is decentralizing finance such that the points of access become much shorter and more direct. Naturally there could be benefits to that, but there can also be a lot of risks, because those layers of protections that we have built over time, through law and rules, are just being taken away.

With all that in mind, I think we have to be measured and thoughtful about how we view this technology and potentially the upside in benefits, but we also want to be aggressive and thoughtful in our enforcement, in our current view of this technology so that those who are, as you say, playing outside the rulebook are held accountable, because it could potentially create an impartial and unlevel playing field that is certainly a disadvantage to those who comply with the rules.

Senator SMITH. Thank you so much. Thank you, Madam Chair. Chairwoman STABENOW. Thank you very much. Senator Marshall.

Senator MARSHALL. Thank you, Madam Chair, and Commissioner Behnam, welcome so much to the all-powerful Agriculture Committee. I, too, greatly appreciate a face-to-face conversation. I do feel a great responsibility to be able to look the people of Kansas in the eye and say, "Yes, I interviewed, I talked to the CFTC Commissioner and Chairman." I look forward to supporting your nomination and working with you in the future.

The CFTC has certainly been a great risk management tool for so many of my ag producers, especially my cattle industry, but more and more the row crop folks are getting involved with it as well. Really with the exception of the cow-calf operations, I think it is being greatly utilized, and we have briefly talked that and I look forward to, you know, how we can make sure that they have access to this risk management plan as well. I think, in brief, I would say if it is not broken, do not fix it, and I think we are in a pretty good spot.

As we kind of started our conversation yesterday, maybe I will come back to carbon tax, the carbon market, and how do you see those might be interacting with the CFTC and derivatives?

Mr. BEHNAM. Thanks, Senator, and I again appreciate your willingness to meet with me on Monday.

Like I said, I want to engage with the marketplace such that I think the CFTC can play an important role in being a partner in what is happening in the private sector right now. We are seeing the emergence of products on our listed exchanges that are related to carbon offsets. We are seeing the emergence and listing of products that are related to natural resource scarcity. We are obviously seeing the emergence of voluntary carbon markets. If there is a collective will to push forward and scale these markets and these products such that they retain appropriate risk management uses, I do confidently think that the CFTC can play an important role in supporting those goals.

I will certainly be measured in my approach. We will engage, we will have a dialog, and I will not predetermine any conclusions. If there is a way for us to be supportive in mitigating risk, we will do it. If there is a way for us to help support transition, we will also do it.

Senator MARSHALL. Great. Yesterday we talked about the climate risk unit, and I just want to get you on record, I guess, just to kind of share with what your vision is of that. I guess I would just ask you to be committed to, wherever we go with this topic, is that you will be committed to a cradle-to-grave assessment of carbon, that whether we are growing cherries in Michigan, that those trees are grabbing carbon out of the air all year long. If we are growing rice in Arkansas, photosynthesis is occurring, and that we are getting credit for the carbon that we are grabbing as well. That we are getting credit for past practices as well as future practices.

I am always surprised when someone up here asks me about, "Have you heard of no-till farming?" We have been doing that for over 20 years on our farm. Or something about, you know, cover crops. My goodness. We have been doing that for decades as well.

I want to be inclusive in this and not look at just tailpipe emissions, if you will.

Mr. BEHNAM. Senator, you have my commitment. I am very familiar with those programs and understand there are multiple tools in the toolbox, especially within the context of managing climate risk and carbon sequestration, all the things you said. The CFTC, within the context of the Climate Risk Unit, will be one sort of spoke in that wheel, contributing what we can, engaging, talking, and hopefully sharing our expertise and lessons with those who think they can use it.

Senator MARSHALL. Great. Maybe we will finish up with Winter Storm Uri, and I know you are very familiar with the situation, that the prices for natural gas for heating homes literally went up exponentially—not doubly, not triply, but we were paying exponential prices. Many families in Kansas, for the next year, will be suffering a doubling in their utility bill to heat their home already, and that was before we had natural gas prices double over the past several months.

When there is an event like that and so much money is exchanging hands—and I know the producers got a little piece of the pie, and it just looks like the markets might be a place for some potential wrongdoing—what would be the CFTC’s role in trying to investigate, and are there any lessons learned, anything that we can do to prevent this from happening again?

Mr. BEHNAM. Thanks, Senator. I would say, in terms of natural events, climate events, or just events that are affecting our physical commodity markets, whether it is ag or energy, we have a great team of economist, we have an intelligence branch, our Market Oversight Division. We are constantly observing and looking at market events and how prices are moving, with the caveat that we are not a price-setting agency and this is the natural dynamics of supply and demand. In many respects we are prepared and looking forward to seeing what is happening to prices across the board.

That said, just to clarify, and I know you know this well—we discussed this—we do not have jurisdiction over cash market transactions, so in this case power generation or natural gas. However, we do have fraud and manipulation authority, so in a case like this, where you saw a huge spike in the cost of energy and power, and where some may have made off really well and others not, we are constantly surveilling markets. We are hearing and listening to tips and communicating with folks on the ground. If there is any allegation or suspicion of fraud or manipulation in the cash market we then do have authority to go and use our regulatory and law enforcement power.

Ultimately, it relates to the futures market. If we see any suspicious activity that could be related to those climate events we certainly have direct jurisdiction over that and would bring an enforcement action against any of the participants in that particular activity.

Senator MARSHALL. Thank you, Chairman. I yield back.

Chairwoman STABENOW. Thank you. Thank you very much.

Well, we have no other members that have signed on virtually. I am going to turn to Senator Hoeven and then we also have a vote that just started.

Senator Hoeven.

Senator HOEVEN. Thank you, Madam Chairman. Thank you, Mr. Behnam, for being here today. What do you see as the primary role of the CFTC at this time?

Mr. BEHNAM. Senator, thanks for the question. I would say as we are moving forward there are emerging risks that we are not accustomed to sort of thinking about. I have discussed them a fair bit with the digital asset space, some of the climate risks that we are facing for sure. I think it is important for us, as an agency, to be nimble, to focus on our constituencies in the ag sector and the energy sector, producers and end users, and understand that at the heart we are a customer protection agency.

At our heart we are a support and a foundation for the American economy, through risk management and price discovery. We need to balance both our historical responsibility—something that we do very well and care about deeply—with some of these new, emerging risks that we are facing and I think are squarely within our remit and our expertise.

Senator HOEVEN. Do you have an opinion as to the role the CFTC can play in a market-based approach to providing CO2 credits for agriculture?

Mr. BEHNAM. Senator, I think at this point certainly voluntary markets are going to be voluntary markets and market driven. As I mentioned earlier, we have decades-long of experience in regulating commodity markets. To the extent that markets are emerging and that we could be helpful in lending our expertise in terms of price transparency, risk management, and the fundamental structure of an operational, well-run market, we are certainly happy to contribute and be a part of that conversation.

Senator HOEVEN. Do you have any top-line recommendations or suggestions for us as we work to try to implement a market-based approach to CO2 trading, and so forth?

Mr. BEHNAM. Senator, thinking about the bill that you co-sponsored, I believe, the Growing Climate Solutions Act, that is a market-based solution. I think we are creating a financial market where credits are going to be bought and sold, and it is important to have a market that has integrity, that has transparency, and that is free from fraud and manipulation. If you can create that then the outcome of what you are trying to accomplish—sequestering carbon and getting money into producers' and ranchers' and farmers' pockets, foresters' pockets—will be accomplished.

To the extent, given our expertise and our history as a financial market regulator, we can be helpful in that space, I think it would be a net-net positive for everyone.

Senator HOEVEN. Is it your impression that the bill is heading in that direction, or trying to accomplish what you just described?

Mr. BEHNAM. It is not my impression but I am simply just suggesting that as that bill moves forward, and if it is signed into law, we would certainly welcome the opportunity to participate, if that is what this Committee and the Congress wished.

Senator HOEVEN. Do you have any suggestions, recommendations, opinions, or observations regarding the supply chain challenges that we are currently facing in this country and how we might try to unravel those disruptions and address them?

Mr. BEHNAM. Senator, certainly I think from a pandemic standpoint we have seen labor shortage issues, economic activity challenges for sure, but in terms of what I call a “choke point,” this is something that I have thought about a lot, in the context of climate events. If you think about the ports across the country, the rail across the country, you know, it is not uncommon that the Mississippi floods and we cannot get a barge down from the Midwest down to the Gulf, and that affects grain prices.

We only have so many choke points in this country, and when you have weather events, or in this case, a health crisis, it affects prices very directly. Does that affect our markets? Certainly. We see it in the price volatility and the price change. Can we do anything about it? If there is fraud or manipulation, certainly we can, but these are sort of external events that we have to identify, observe, and manage from a markets perspective.

My opinion is just to be mindful of these choke points because I have observed that myself, as a commissioner, that it could be certainly a risk point for the country, going forward, if we continue to have these natural disasters.

Senator HOEVEN. Are there things that you will try to do with the CFTC that would help our small farmers and ranchers better hedge their livestock or crops? Are there things you can do to make it easier for them, more transparent, that would be helpful? Not so much to the sophisticated producers, of which there are many, and we want them to be able to use CFTC, of course, easily, but for the smaller guys, what can you do for them? How do you help them out?

Mr. BEHNAM. Senator, we have had an issue in the livestock complex for a number of years. We have worked very hard within the agency to work on price transparency, to work on convergence, certainly, and then the role of technology in these markets I think is a big challenge for some of our producers. Understanding the difference and the challenge that a large producers and a small producer might face, I think it is incumbent on us—and I will certainly do this if confirmed—to work with the entire constituency and value chain, work with the exchanges, and find out solutions, whether it is different contracts, different delivery points, more transparency, all the way down to the operational itself, to the processor, to the slaughterhouse, so that each point has clear and identifiable information.

Because ultimately, a futures price is a reflection of cash market activity, and if we do not see appropriate transparency in the cash market and the activity that is happening, we are not going to see price discovery happening the way it needs to happen. I would certainly commit to you to working with you and producers in your State and making sure that we are working with the entire value chain, we are leaning on the exchanges, certainly, to be innovative and creative, and to make sure they are treating everybody equitably and fairly.

Senator HOEVEN. I appreciate that. Thank you.

Chairwoman STABENOW. Thank you very much. I believe we have Senator Thune with us virtually. Senator Thune?

Senator THUNE. Madam Chair, thank you and Ranking Member Boozman for holding this hearing to consider this nomination, and

Commissioner Behnam, thank you for appearing before the Senate Ag Committee and for your willingness to sit in this position.

Let me ask you a question having to do with cattle prices and cattle markets. Cattle producers have experienced significant market volatility in recent years, and there have been concerns raised with potential market manipulation. During your time as a CFTC commissioner, what oversight actions have you taken to ensure the transparency and integrity of livestock markets, and if confirmed as Chair, will you commit to prioritizing oversight of these markets?

Mr. BEHNAM. Senator Thune, thanks for the question. As a commissioner, and the agency created a Livestock Task Force in 2020, to address some of the issues that we had been hearing for a number of years about transparency in the livestock market. We did feel that some of the issues were remediated, but certainly if some of your constituents are still facing those same challenges I fully commit to working with you, the value chain, and like I said to Senator Hoeven, the exchanges and other market participants to ensure there is appropriate levels of transparency and ultimately risk management opportunities and appropriate price discovery.

Senator THUNE. Well, we would look forward to working with you on that. To your point, yes, there is still just a lot of concern among livestock producers across South Dakota, and you probably heard it from Senator Hoeven in North Dakota and other places in the West, just about the lack of transparency in price discovery, the opaqueness of this market, and certainly the incredible volatility and wide spreads in the margins between what somebody who goes in to buy some beef in the supermarket—hamburger, steaks, whatever—is paying what a producer is receiving, and the huge margins that are being received by folks in the middle, namely the packers.

You need to understand, this issue is still very real and one that I think is crying out for some solutions. There are some proposals out there legislatively. There are some proposals as the Justice Department reviews and looks at that. We just want to make sure that, you know, you have got a competitive marketplace. Free markets work when there is competition, and what we want to see is a competitive marketplace where livestock producers have access to a competitive market where they can receive a price that is fair for the product, for the commodity that they are raising and growing. Just I want to make that point to you and let you know that is something we are paying a lot of attention to.

In 2015, the CFTC determined that bitcoin and other virtual currencies are commodities that fall under the CFTC regulatory jurisdiction. Since then, the CFTC has brought a number of enforcement actions and served as an important regulatory voice in the ongoing dialog about this technology.

As you know, the Securities and Exchange Commission, or the SEC, is involved in this space as well. In your view, what is the regulatory role of the CFTC versus the SEC in this space, and if confirmed, what actions would you take to make sure that the SEC and CFTC are coordinating when it comes to oversight of virtual currencies?

Mr. BEHNAM. Thanks, Senator. Yes, as you rightly point out, and I stated earlier in the hearing, more than 60 percent of the total

value of the digital asset market space is in our commodities, and I think that squarely puts a huge responsibility in our space, given current authority, which is limited and based on fraud and manipulation.

What strikes me as unique to these markets, as opposed to traditional commodities, is the retail-facing nature of them, as opposed to what typically is a wholesale market. We have individuals ranging in age and background, typically on their phone, using an app to buy and sell these crypto assets, which are very volatile and can create a lot of losses because they are subject to fraud and manipulation.

We have been very forward-thinking in our enforcement activity. I think we have been measured but also aggressive. As Acting Chair, and if confirmed as Chair, I will continue to do so. I do believe this is a tough question. We will continue to work with the SEC. I have a good working relationship with Chair Gensler, and I will continue to work with him. This directly touches both of our markets, but the agencies have a rich history of working together and really dividing jurisdiction along thin lines, whether it is single-stock futures back in the 80's or security-based swaps after the financial crisis.

We are a team, above all else, and we will work together, but we understand that we both have different missions and jurisdictions, and in the context of digital assets there will be some tough questions for this Committee to think about if there is going to be an expansion of authority for the CFTC into what is more a cash market than a derivatives market. Again, given the size, the scope, and the scale of the risk that is being faced and posed to customers and the potential financial stability risks, down the road, given the speed with which it is growing, I think these are important questions for the Committee to consider, and I certainly welcome the opportunity to discuss them with you so that we can have the best possible outcome.

Senator THUNE. My time has expired. I thank you for that answer. One quick, if you could just followup, what can we do to ensure that this technology benefits the United States and does not end up offshore in another jurisdiction?

Mr. BEHNAM. Senator, this is a difficult question and one that has been posed to policymakers and elected officials for decades when it comes to new technology. I think we have to be measured in our approach to embracing technology, but we have to understand and appreciate new technology drives us forward. We have to be sort of threading a thin line to ensure that we are keeping technology, jobs, and advancements, which affect national security, which affects economic growth, which affects labor markets here in the U.S. That is critically important.

We have to bring, collectively, the group in within the tent and make them understand that if you are going to do business in the United States it is going to be done within a thoughtful, regulated environment. As I said to Senator Smith earlier, I think that is the reason why we have the best derivatives markets and capital markets in the world, is because we have thoughtful regulatory regimes. It is not perfect but we are constantly tweaking and adjusting and engaging with Congress to make sure that we are striking

the right balance so that we are, as you said, keeping technology and economic growth here in the U.S., but making sure it is safe for customers and does not cause undue risks to the financial system.

Senator THUNE. Thank you, Commissioner. Thank you, Madam Chair.

Chairwoman STABENOW. Thank you. I appreciate your comments. Senator Klobuchar is on her way back. She was here earlier and she is trying to do her version of being in two places at once with the Judiciary Committee going on as well. Since we have not perfected “Beam me up, Scotty” yet, we will give her just a moment to be able to return. I believe she is—she is on her way at the moment.

Let me just ask one other question I did not get to, Russ, and that relates to enforcement and the important functions that you have been talking about today. When we look at the strengths of the enforcement program—and I appreciate the balanced way the CFTC has proceeded and the transparency and integrity—but as we look at the reauthorization of CFTC and working together, Senator Boozman and I, to thoughtfully look at what is happening and get your input on what we might do to strengthen the law, what improvements, if you are confirmed, would you like to see in the program’s effectiveness, and what kinds of things would be helpful to you as you move forward in this new position?

Mr. BEHNAM. Thanks, Senator. Just quickly, I would have to absolutely give credit to my predecessor and his predecessor before that. We have had a strong enforcement program for a number of years. We have brought a lot of cases, a record number even in the past few. Continue to be creative and innovative but also thoughtful and measured, at least staying within the confines of the law, which is important obviously. Will continue to do that, if confirmed. I think we are facing so many new risks and so many new challenges that do not squarely fit within what our regulatory structure was built on decades ago, and that is why it is important for us to engage and have a dialog about the future of derivatives markets and the role of the CFTC in them. We will continue to do that.

I mentioned to Senator Brown earlier cooperation. It is a very important tool to create incentives for bad actors, institutions to come in and say that, you know, they had done something accidentally or perhaps intentionally. I say that just because we want to build a culture of compliance, and I said that earlier, and it is important. Folks need to be held accountable. Actions are important, and they send a message, and that is what we are going to do from an enforcement perspective, is send a message that we expect folks to act within the boundaries of the law. We expect folks, from the top of an institution to the bottom, to understand that, to appreciate that, and to support that culture within an institution.

We cannot just simply point a finger at one bad actor and say, “You are out.” There has to be a larger, thoughtful conversation with an institution so that those activities can happen. They can happen because you have systems built into place, and they can happen because you have a culture that does not allow them.

Chairwoman STABENOW. Thank you very much, and I am going to turn now to Senator Klobuchar, who was here earlier, and I was

saying, Senator Klobuchar, you are trying to be two places at once, as we frequently are. We are so glad that you made it back with us.

Senator KLOBUCHAR. Thank you, and thank you to your staff and to you for making this work. You are competing, Commissioner, with the Attorney General of the United States. That is all. All is good.

I know some of my colleagues have talked to you, including Senator Stabenow, about the importance of the needs of farmers and ranchers and energy producers in your mission. Commercial end users, as you know, base their derivative trades and physical products as a way to hedge against the overwhelming risks that they face day to day, from weather conditions, price declines, high-input prices, and as we all know, and as I am sure you have discussed today, supply chain disruptions.

Will you commit to working with farmers and ag industries to ensure that the CFTC decisionmaking takes into account the commercial risks inherent to agricultural production, processing, and marketing?

Mr. BEHNAM. Yes. That is at the heart of our mission and we will certainly continue to do that, if I am confirmed.

Senator KLOBUCHAR. How would you balance the oversight and regulation of hedge funds and investors on Wall Street with those of farmers, co-ops, grain dealers, food processors, and others who produce food, fuel, and fiber?

Mr. BEHNAM. Senator, certainly we need speculators and liquidity providers in the markets. They allow the commercial end users to offload risk. On the other hand you are absolutely right. We have a set of rules and a market structure that is in place, both at the agency and within the exchanges and with our partner at the National Futures Association, to ensure that commercial end users have fair, equitable access to these markets so that they can manage risk and discover prices, as intended.

Senator KLOBUCHAR. Thank you. As Chair of the Anti-Trust Subcommittee I have been, one—you will probably think I am going to consolidation in markets, which I will in a minute, but actually I have been working a lot both on that post as well as on the Commerce Committee to rein in some of the unaccountability that we see on the social media platforms when it comes to vulnerable users and the like.

How does the CFTC detect and monitor fraudulent social media activity or Web platforms that offer illegitimate futures and future options trading or otherwise attempt to manipulate the markets?

Mr. BEHNAM. Senator, it is a great question, and it is difficult for us. We certainly communicate with different app providers and different technologists who ensure whatever services they are providing do not violate the law and are not putting investors in a position where they do not know how they are allocating their money or their capital.

This raises an interesting question about our ability to go out into the public space and use our education pool of money to have webinars, to use social media, to just connect with individuals and tell them about the risks of markets.

Senator KLOBUCHAR. Yes, it is kind of the best practices, but, you know, we used to do—I remember this when I was a prosecutor on senior fraud, and things you get in the mail or emails you get. Clearly this is going beyond that when you come with financial scams associated with digital trading and the like. I hope you will take that on in your new position.

Mr. BEHNAM. Absolutely.

Senator KLOBUCHAR. I know my friend, Senator Thune, asked about increasing transparency, pricing in the cattle markets, where obviously there has been these issues, both during the pandemic and before and after. I was going to ask you here one last question on heating spikes. Derivative markets are not just useful for ag products but impact many consumer issues. If confirmed, will you commit to monitoring and acting on potential market manipulation for consumer-facing commodities like heating fuel and propane? Pretty important in the “M” States up here of Michigan and Minnesota.

Mr. BEHNAM. Yes. I fully commit to doing that.

Senator KLOBUCHAR. Okay. Very good. What additional steps can the CFTC take to minimize exorbitant price spikes in the future?

Mr. BEHNAM. Senator, we are limited in our authority in terms of fraud and manipulation, but certainly we will engage with producers and end users and just monitor activity across the country to the extent we can ensure minimizing spikes.

Senator KLOBUCHAR. Okay. Thank you, and I will followup in writing about the natural gas spikes issue as well as maybe more on consolidation. I really appreciate you being here, and I wish you good luck. Thank you.

Mr. BEHNAM. Thank you.

Chairwoman STABENOW. Thank you very much. This concludes today’s hearing. Thank you, Russ, for sharing your vision for the future of the CFTC and your commitment to protecting Main Street consumers and our businesses.

The record will remain open until tomorrow at 5 p.m. for members to submit additional questions or statements. With that the hearing is adjourned.

[Whereupon, at 11:36 a.m., the Committee was adjourned.]

A P P E N D I X

OCTOBER 27, 2021

Statement of Rostin Behnam
Confirmation Hearing
U.S. Senate Committee on Agriculture, Nutrition, and Forestry
October 27, 2021

Chairwoman Stabenow, Ranking Member Boozman, members of the Committee, it is an honor to sit before you today as a nominee to serve as Chairman of the Commodity Futures Trading Commission. I extend my gratitude to President Biden for nominating me, and Chairwoman Stabenow and Ranking Member Boozman for holding this hearing.

I would like to recognize and thank my wife, Dinah Bengur, and our daughters Nina and Farah for being here today, and send my love to our youngest daughter, Roxana. I would like to thank my parents whose hard work and sacrifices have provided the safe footing for each of my steps, both personally and professionally.

Finally, I would like to thank Chairwoman Stabenow. In July, 2017, sitting before this Committee, I committed to you that I would endeavor to use your values and balanced judgement as a compass for my own actions. I hope I have fulfilled that promise, and recommit to the same if confirmed as Chairman.

Much has changed since my 2017 statement. The Covid-19 pandemic has had profound impacts on global financial markets, the U.S. economy, and most importantly on our daily lives. Like all Americans, CFTC staff have adjusted routines, impressively fulfilling the agency's mission while facing unprecedented challenges. The CFTC's future success starts and ends with building a diverse, expert staff supported with appropriate resources and leadership.

From a market integrity and resiliency standpoint, I am proud to report that the U.S. derivatives markets performed very well during the pandemic's early 2020 onset. Leaning on post-financial crisis reforms, CFTC markets met historically unprecedented volume and volatility with the powerful benefits of central clearing, capital and margin requirements, data reporting, and increased transparency.

As the U.S. economy strengthens, CFTC-regulated derivatives markets will play a critical role in ensuring a complete recovery, including in the rural economy. America's farmers and ranchers have long relied on derivatives markets to manage risk and discover prices. If confirmed as Chairman, the CFTC will continue to engage, listen, and decisively act to support American agricultural producers.

Additionally, manufacturers, energy producers, pension funds, financial institutions, and countless other small and large businesses rely on derivatives markets to manage risk. Safe, transparent, liquid and well-regulated derivatives markets are a critical component of a healthy, vibrant economy. The CFTC will do its part to promote, ensure, and protect market integrity.

Looking forward, domestic and global coordination remains an agency priority. Early 2020 hearkened back to 2008, reminding us that the interconnectedness of global financial markets requires persistent engagement towards maintaining resiliency and protecting the financial system and U.S. economy from future crises.

More specific to the CFTC, clearinghouses play a critical role in the safety and soundness of the financial system. In addition to annual CFTC examinations of systemically important clearinghouses, I believe continuous discussion among regulators and market participants about emerging risks and evolving market structure is critical to strengthen resiliency.

Customer protections are at the heart of the CFTC's mission. If confirmed, I will prioritize policy that invigorates a culture of compliance reinforced by an enforcement program that roots out fraud, manipulation, and market abuse, and sends a strong, clear message to bad actors, particularly at a time of rapidly advancing technology.

Cybersecurity remains an ever-present priority. As we collectively face greater threats, clearly executed cybersecurity strategies will benefit all market participants and the resilience of the American economy. The stakes are too high to fall short on a full commitment of resources and expertise.

I will end my statement with a few words about new and emerging risks and opportunities. The pandemic has taught us much about the importance of preparing for extreme but plausible events. In March, I formed the Climate Risk Unit, to explore the CFTC's role in managing climate related financial market risk, and supporting an orderly transition. Derivatives will play a key role in market-based solutions. While focusing on the risks climate change poses is imperative, I do not want to lose sight of the opportunities endemic to a transition. I believe the CFTC must play a role in this market growth if the larger transition goals are to be met.

Finally, the growth and widespread adoption of digital assets presents many novel issues for all regulators. Against this backdrop, the CFTC has actively used our existing statutory authority to stop and deter fraud and manipulation in these emerging markets. If confirmed, the CFTC will continue its proactive approach to protect customers and strengthen market resiliency. I look forward to working with this Committee to reexamine – and, if appropriate, expand – the CFTC's authority to ensure both the benefits and promise of the emerging digital asset market and the underlying technology can be harnessed without undue harm to customers and financial market stability.

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

**DOCUMENTS SUBMITTED FOR THE
RECORD**

OCTOBER 27, 2021

October 25, 2021

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

The Honorable John Boozman
Ranking Member
Senate Agriculture, Nutrition,
and Forestry Committee
United States Senate
Washington, DC 20510

Dear Chairwoman Stabenow and Ranking Member Boozman:

The undersigned organizations write to express our support for confirming Rostin Behnam to be Chairman of the Commodity Futures Trading Commission (CFTC). We represent farmers, cooperative associations, grain dealers and millers, food processors, and others who produce and distribute our nation's food, feed, fuel, and fiber. Our members rely on the agriculture and energy derivative markets – both exchange-traded futures and options, and over-the-counter products – to hedge the commercial risks inherent to agricultural production, processing, and marketing.

CFTC Acting Chairman Behnam has the experience and background that make him exceptionally qualified to serve as Chairman. Prior to being confirmed as a CFTC Commissioner in 2017, he served as Senior Counsel to the Senate Agriculture, Nutrition, and Forestry Committee, and has a strong background in agricultural policy as he had been an advisor to the Committee on policy and legislative issues since 2011. Mr. Behnam served as an advisor on all policy and legislative issues regarding the CFTC, including the Committee's efforts to reauthorize the Commodity Exchange Act. Many of our organizations and members worked directly with Mr. Behnam during that period in an effort to get the rules right for agricultural end users as the Committee performed oversight of implementation of the Dodd-Frank Act.

We also commend Mr. Behnam for the considerable amount of time and effort he has devoted to further his understanding of the agriculture sector and its use of the derivatives markets since he has been on the Commission. In fact, Mr. Behnam has visited a number of our members' farms and facilities over the past few years to learn from commodity producers and market participants firsthand.

We believe Mr. Behnam, if confirmed, will strike the right balance in overseeing CFTC's regulation of the financial and commodity markets. This includes providing for reduced systemic risk, ensuring market integrity and regulatory consistency, while also considering the important role these markets play in the ability of commercial end users to effectively and efficiently hedge their commercial risks.

We appreciate your continued leadership in the support of U.S. production agriculture and agribusiness.

Sincerely,

Amcot
American Cotton Shippers Association
American Farm Bureau Federation
American Feed Industry Association
American Seed Trade Association
American Soybean Association
American Sugar Alliance
Commodity Markets Council
Farm Credit Council
National Association of Wheat Growers
National Corn Growers Association
National Cotton Council
National Council of Farmer Cooperatives
National Grain and Feed Association
National Milk Producers Federation
National Pork Producers Council
National Sorghum Producers
North American Millers' Association
USA Rice

CC: Members of the Senate Committee on Agriculture, Nutrition, and Forestry



October 22, 2021

The Honorable Debbie Stabenow
Chairwoman
Committee on Agriculture, Nutrition, and Forestry
United States Senate
328A Russell Senate Office Building
Washington, DC 20510

The Honorable John Boozman
Ranking Member
Committee on Agriculture, Nutrition, and Forestry
United States Senate
328A Russell Senate Office Building
Washington, DC 20510

The Honorable Raphael Warnock
Chairman
Commodities, Risk Management, and Trade Subcommittee
Committee on Agriculture, Nutrition, and Forestry
United States Senate
328A Russell Senate Office Building
Washington, DC 20510

The Honorable John Hoeven
Ranking Member
Commodities, Risk Management, and Trade Subcommittee
Committee on Agriculture, Nutrition, and Forestry
United States Senate
328A Russell Senate Office Building
Washington, DC 20510

Dear Chairs Stabenow and Warnock and Ranking Members Boozman and Hoeven:

The National Cattlemen's Beef Association (NCBA) writes to support the nomination of Commissioner Rostin Benham to serve as Chairman of the Commodity Futures Trading Commission (CFTC). Initiated in 1898, NCBA is the oldest and largest national trade association representing America's cattle producers. With offices in Denver, CO and Washington, DC, NCBA is a producer-directed non-profit organization representing the largest segment of the nation's food and fiber industry.

The CFTC is the nation's independent and autonomous regulatory agency overseeing the derivatives markets for agriculture, energy, and other industries. Cattle producers utilize futures and options markets to manage risk and discover value for their livestock. As Acting Chairman of the CFTC, Commissioner Benham has demonstrated he has the experience necessary to ensure cattlemen and women can utilize derivatives in an open, transparent, and fair manner. Prior to his appointment as a Commissioner in 2017, Mr. Benham served as Senior Counsel for this Committee. In that role, which he held for over six years, he advised the Committee on issues related to the CFTC and the Commodity Exchange Act. He is also the sponsor of the CFTC's Market Risk Advisory Committee, which explores market structures and movement of risk across the financial system, including clearinghouses, exchanges, market-makers, and end-users.

We believe that Mr. Benham possesses the qualifications to ensure that hedging with derivatives remains a viable risk management option for cattle producers of all sizes. The past several years have shown immense volatility in both the Live and Feeder Cattle contracts, and we sincerely hope that Mr. Benham will consider the voice of cattle producers as the CFTC looks to ensure markets function properly.

We appreciate this opportunity to provide input to the Committee on behalf of our members—America's food and fiber producers. We urge confirmation of Rostin Benham to serve as Chairman of the Commodity Futures Trading Association.

Sincerely,

Ethan Lane
Vice President, Government Affairs
National Cattlemen's Beef Association





November 3, 2021

Chairwoman Debbie Stabenow
U.S. Senate; Committee on
Agriculture, Nutrition, and Forestry
328A Russell Senate Office Building
Washington, DC 20510

Ranking Member John Boozman
U.S. Senate; Committee on
Agriculture, Nutrition, and Forestry
328A Russell Senate Office Building
Washington, DC 20510

Dear Chairwoman Stabenow, Ranking Member Boozman, and Members of the Committee:

The United States Cattlemen's Association (USCA), on behalf of our nationwide membership of cow-calf producers, backgrounders, feedlot owners, livestock haulers, and independent processors, writes to you today in support of President Joe Biden's nominee, Commissioner Rostin Behnam, to serve as Chairman of the Commodity Futures Trading Commission (CFTC).

Today, the CFTC regulates dozens of agricultural derivatives contracts including the Live Cattle and Feeder Cattle contracts, both of which are utilized by our members to manage and mitigate the inherent risk associated with operating an agricultural operation. Our members rely on the CFTC's oversight role to ensure that markets are operating fairly and efficiently, and that bad actors in the marketplace are quickly dealt with. USCA appreciates Commissioner Behnam's commitment to including stakeholders in those decisions that impact the marketplace's functionality.

In his confirmation hearing before the Senate Committee on Agriculture, Nutrition, and Forestry, Commissioner Behnam expressed specific interest in addressing the concerns of U.S. cattle producers in the commodity markets, particularly on transparency and price discovery. USCA looks forward to working with Commissioner Behnam, should he be confirmed, on ensuring that the cattle futures contracts align with true marketplace fundamentals.

For these reasons, USCA recommends the confirmation of Commissioner Behnam to the position of Chairman of the Commodity Futures Commission.

Sincerely,

Dr. Brooke Miller, M.D.
President, U.S. Cattlemen's Association

U.S. SENATE COMMITTEE ON AGRICULTURE, NUTRITION & FORESTRY
Questions for Executive Nominees
117th 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>Chairman, Commodity Futures Trading Commission</u>	<u>September 13, 2021</u>
<u>Commissioner, Commodity Futures Trading Commission</u>	<u>September 13, 2021</u>

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

<i>Addresses</i>					
<u>Residential Address</u> (do not include street address)			<u>Office Address</u> (include street address)		
			Street: 1155 21 st Street, NW		
City: Baltimore	State: MD	Zip: 21218	City: Washington	State: DC	Zip: 20581

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

<i>Marital Status</i>					
Check All That Describe Your Current Situation:					
<u>Never Married</u>	<u>Married</u>	<u>Separated</u>	<u>Annulled</u>	<u>Divorced</u>	<u>Widowed</u>
<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>
Dinah	Halliday	Bengur	

<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> (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>
Syracuse University College of Law	University	8/2002 Est <input type="checkbox"/>	5/2005 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"/>	AB	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) In reverse chronological order, 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.

<u>Type of Employment</u> (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	<u>Name of Your Employer/Assigned Duty Station</u>	<u>Most Recent Position Title/Rank</u>	<u>Location</u> (City and State only)	<u>Date Employment Began</u> (month/year) (check box if estimate)	<u>Date Employment Ended</u> (month/year) (check box if estimate) (check "present" box if still employed)
Federal Employment	U.S. Commodity Futures Trading Commission	Acting Chairman/Commissioner	Washington, D.C.	1/2021	Present
Federal Employment	U.S. Commodity Futures Trading Commission	Commissioner	Washington, D.C.	9/2017	1/2021
Federal Employment	U.S. Senate Committee on Agriculture, Nutrition & Forestry	Senior Counsel	Washington, D.C.	5/2011	9/2017
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.

<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"/>
		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. None

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
Roland Run Club	January 2018-Present	Family Member

6. Political Activity

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

Yes No (If yes, please complete the chart below)

<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, including volunteer services, to a political party or election committee during the last 10 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>
Democratic Party	Volunteer Poll Watcher	Answering legal election questions at polling site in Kent, OH	11/8/2016
Democratic Party	Volunteer Poll Watcher	Answering legal elections questions at polling sites in Detroit, MI	11/5/2012- 11/6/2012

(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>
Biden For President	\$1000	2020
DSCC	\$250	2020
DSCC	\$250	2018
Hillary Victory Fund	\$200	2016
Hillary for America	\$200	2016
Hillary Victory Fund	\$300	2016
Hillary for America	\$300	2016
Hillary Victory Fund	\$500	2016
Hillary for America	\$500	2016

7. Publications and Speeches

(A) List the titles, publishers and dates of books, articles, reports or other published materials that you have written, including articles published on the Internet. Please provide the Committee with all listed publications via email or other digital format and list all required publications even if no copy of the publication is available to provide.

<u>Title</u>	<u>Publisher</u>	<u>Date(s) of Publication</u>
"A Decade After the Crisis, Our Vigilance Must Not Wane"	The Hill https://thehill.com/opinion/finance/407772-a-decade-after-the-crisis-our-vigilance-must-not-wane	9/23/2018
"Push Us Past Inertia-How the White House Can Help Mainstream FinTech"	Bloomberg Law https://news.bloomberglaw.com/tech-and-telecom-law/insight-push-us-past-inertia-how-the-white-house-can-help-mainstream-fintech	5/21/2019

(B) List any formal speeches you have delivered during the last 10 years relevant to the position to which you have been nominated, and all speeches you have delivered related to any topic for the last five years. Include any testimony to Congress or any other legislative or administrative body. Please provide the Committee with copies of all listed speeches via email or other digital format and list all known required speeches even if no copy is available to provide.

<u>Title/Topic</u>	<u>Place/Audience</u>	<u>Date(s) of Speech</u>
See Attached		

8. Lobbying

In the past 10 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

Date	Published Speeches, Statements, and Recordings of Rostin Behnam as CFTC Acting Chairman and Commissioner	Link
10/6/2017	Statement of Commissioner Rostin Behnam on Treasury Report on Capital Markets	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement100617
10/11/2017	Commissioner Behnam Statement on De Minimis Threshold	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement101117a
11/14/2017	Remarks of CFTC Commissioner Rostin Behnam at the Georgetown Center for Financial Markets and Policy: The Dodd-Frank Inflection Point: Building on Derivatives Reform	https://www.cftc.gov/PressRoom/SpeechesTestimony/opabehnam1
1/31/2018	Opening Statement of Commissioner Rostin Behnam before the Market Risk Advisory Committee	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement013118
2/8/2018	Remarks of Commissioner Rostin Behnam before the FIA/SIFMA Asset	https://www.cftc.gov/PressRoom/SpeechesTestimony/opabehnam2

Date	Publication and Title	Link
	Management Group, Asset Management Derivatives Forum 2018, Dana Point, California	
2/14/2018	Opening Statement of Commissioner Rostin Behnam before the Technology Advisory Committee	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement021418
3/13/2018	Remarks of Commissioner Rostin Behnam before the Commodity Futures Trading Commission's International Regulators Meeting, Boca Raton, Florida	https://www.cftc.gov/PressRoom/SpeechesTestimony/opabelnam3
3/15/2018	Remarks of Commissioner Rostin Behnam at the FIA Boca 2018 International Futures Industry 43 rd Annual Conference, Boca Raton Florida,	https://www.cftc.gov/PressRoom/SpeechesTestimony/opabelnam4

Date	Publication and Title	Link
3/22/2018	Accountability & Moving Forward Commissioner Behnam Statement on the CFTC Budget Cut	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement032218
4/5/2018	Statement of Commissioner Rostin Behnam before the Agricultural Advisory Committee	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement040518
5/3/2018	Keynote of Commissioner Rostin Behnam at the FIA 40 th Annual Law & Compliance Division Conference on Regulation of Futures, Derivatives and OTC Products, Washington, DC; Our Charming Ways	https://www.cftc.gov/PressRoom/SpeechesTestimony/opabelnam5
5/15/2018	Remarks of Commissioner Rostin Behnam before Energy Risk USA, Houston, Texas; Delivering a	https://www.cftc.gov/PressRoom/SpeechesTestimony/opabelnam6

Date	Publication and Title	Link
6/4/2018	<p>Message on Relationship Patterns</p> <p>Remarks of Commissioner Rostin Behnam at the BFI Summit "Fostering Open, Transparent, Competitive, and Financially Sound Markets" United Nations Plaza, New York, NY</p>	<p>https://www.cftc.gov/PressRoom/SpeechesTestimony/opabehnam7</p>
6/4/2018	<p>Opening Statement of Commissioner Rostin Behnam before the Open Commission Meeting on June 4, 2018</p>	<p>https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement060418</p>
6/4/2018	<p>Statement of Dissent of Commissioner Rostin Behnam before the Open Commission Meeting on June 4, 2018, De Minimis Exception to the Swap Dealer Definition</p>	<p>https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement060418b</p>

Date	Published Speeches, Statements, and Recordings of Rostin Behnam as CFTC Acting Chairman and Commissioner	Link
7/12/2018	Opening Statement of Commissioner Rostin Behnam before the Market Risk Advisory Committee	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement071218
7/24/2018	Statement of Concurrence of CFTC Commissioner Rostin Behnam Regarding Segregation of Assets Held as Collateral in Uncleared Swap Transactions	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement072418-0
7/24/2018	Concurring Statement of Commissioner Rostin Behnam Regarding the Position Limits and Position Accountability for Security Futures Products Proposed Rule	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement072418

Date	Published Speeches, Statements, and Recordings of Rostin Behnam as CFTC Acting Chairman and Commissioner	Link
8/29/2018	Statement of Commissioner Rostin Behnam on the Confirmation of Dawn Stump and Dan Berkovitz as CFTC Commissioners	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement082918
9/15/2018	Remarks of Commissioner Rostin Behnam at the Michigan Agribusiness Association 2018 Outlook Conference, Mackinac Island, Michigan; Markets and Issues: Lessons Learned and a Path Forward	https://www.cftc.gov/PressRoom/SpeechesTestimony/opabehnam8
10/11/2018	Remarks of CFTC Commissioner Rostin Behnam at the Bipartisan Policy Center, Reference Rate Reform: Impact on the Economy and Consumers	https://www.cftc.gov/PressRoom/SpeechesTestimony/opabehnam9
10/16/2018	Keynote Remarks of CFTC Commissioner	https://www.cftc.gov/PressRoom/SpeechesTestimony/opabehnam10

Date	Publication and Title	Link
	Rostin Behnam at the Federal Reserve Bank of Chicago's Fifth Annual Conference on CCP Risk Management, Chicago, Illinois; A Decade After the Financial Crisis: Remaining Challenges and New Approaches for the Next Ten Years and Beyond	
10/26/2018	Remarks of CFTC Commissioner Rostin Behnam at the 2018 ISDA Annual Japan Conference, Shangri-La Hotel, Tokyo, Our Collective Strength	https://www.cftc.gov/PressRoom/SpeechesTestimony/opabehnam11
11/1/2018	Remarks of CFTC Commissioner Rostin Behnam at the ASIFMA 2018 Annual Conference: Developing Asia's Capital Markets,	https://www.cftc.gov/PressRoom/SpeechesTestimony/opabehnam12

Date	Publication and Title	Link
11/5/2018	Singapore, Fintech, Friction, and Formula 1: A Learning Journey Public Meeting of Commissioner Rostin Behnam	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement110518
11/5/2018	Statement of Concurrence of Commissioner Rostin Behnam Regarding De Minimis Exception to the Swap Dealer Definition	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement110518b
11/5/2018	Statement of Concurrence of Commissioner Rostin Behnam Regarding Swap Execution Facilities and Trade Execution Requirement	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement110518a
12/4/2018	Opening Statement of Commissioner Rostin Behnam before the Market Risk Advisory Committee	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement120418

Date	Published Speeches, Statements, and Recordings of Rostin Behnam as CFTC Acting Chairman and Commissioner	Link
3/13/2019	Joint Concurring Statement of Commissioners Dan M. Berkovitz and Rostin Behnam	https://www.cftc.gov/PressRoom/SpeechesTestimony/berkovitzbehnamstatement031319
3/25/2019	Dissenting Statement of Commissioner Rostin Behnam on De Minimis Exception to the Swap Dealer Definition – Swaps Entered into by Insured Depository Institutions in Connection with Loans to Customers	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement032519b
3/25/2019	Statement of CFTC Commissioner Rostin Behnam on the Final Rule amending the De Minimis Exception to the Swap Dealer Definition – Swaps Entered into by Insured Depository Institutions in Connection with	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement032519

Date	Publication and Title	Link
3/28/2019	Loans before the Public Meeting Statement of Concurrence by CFTC Commissioner Rostin Behnam on Segregation of Assets Held as Collateral in Uncleared Swap Transactions	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement032819
4/10/2019	Remarks of CFTC Commissioner Rostin Behnam at the ISDA 34 th Annual General Meeting, Grand Hyatt Hong Kong, Hong Kong: Sowing the Seeds of Success in 2020	https://www.cftc.gov/PressRoom/SpeechesTestimony/opabehnam13
4/25/2019	Statement of Commissioner Rostin Behnam on Proposed Amendments to the Commission's Regulations Relating to Certain Swap Data Repository and Swap	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement042519

Date	Publication and Title	Link
4/29/2019	Data Reporting Requirements Commissioner Behnam Statement on Passing of Bart Chilton	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement042919
6/12/2019	Opening Statement of Commissioner Rostin Behnam before the Market Risk Advisory Committee	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement061219
7/11/2019	Dissenting Statement of Commissioner Rostin Behnam on the Exemption from Derivatives Clearing Organization Registration	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement071119
9/16/2019	Concurring Statement of Commissioner Rostin Behnam Regarding the Proposed Rule on Public Rulemaking Procedures	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement091619a
9/16/2019	Dissenting Statement of Commissioner Rostin Behnam	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement091619

Date	Publication and Title	Link
10/16/2019	Regarding Amendments to the Volcker Rule Statement of Concurrence by Commissioner Rostin Behnam, Margin Requirements for Uncleared Swaps for Swap Dealers and Major Swap Participants	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement101519
11/7/2019	Statement of Commissioner Rostin Behnam Regarding Tower Research Capital LLC	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement110719
11/25/2019	Statement of Concurrence by CFTC Commissioner Rostin Behnam, Amendments to Registration and Compliance Requirements for Commodity Pool Operators and	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement112519

Date	Publication and Title	Link
12/10/2019	Commodity Trading Advisors Statement of Dissent by Commissioner Rostin Behnam, Capital Requirements of Swap Dealers and Major Swap Participants	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement121019
12/10/2019	Statement of Concurrence by CFTC Commissioner Rostin Behnam, Amendments to the Exemption from the Swap Clearing Requirement for Certain Affiliated Entities	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement121019b
12/11/2019	Opening Statement of Commissioner Rostin Behnam before the Market Risk Advisory Committee	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement121119
12/18/2019	Statement of Dissent by Commissioner Rostin Behnam Regarding Cross-	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement121819

Date	Publication and Title	Link
	Border Application of the Registration Thresholds and Certain Requirements Applicable to Swap Dealers and Major Swap Participants; Proposed Rule	
1/30/2020	Statement of Dissent of Commissioner Rostin Behnam Regarding Volcker Covered Funds Proposal	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement013020b
1/30/2020	Statement of Concurrence by Commissioner Rostin Behnam Regarding Proposed Rule on Swap Execution Facilities	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement013020c
1/30/2020	Statement of Dissent by Commissioner Rostin Behnam Regarding Position Limits for Derivatives; Proposed Rule	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement013020

Date	Published Speeches, Statements, and Recordings of Rostin Behnam as CFTC Acting Chairman and Commissioner	Link
2/12/2020	Remarks of Commissioner Rostin Behnam at the ISDA/SIFMA AMG Benchmark Strategies Forum 2020, New York, New York	https://www.cftc.gov/PressRoom/SpeechesTestimony/opabehnam14
2/14/2020	Remarks of CFTC Commissioner Rostin Behnam at the 56 th Crop Insurance and Reinsurance Bureau	https://www.cftc.gov/PressRoom/SpeechesTestimony/opabehnam15
2/20/2020	Statements of Concurrence by Commissioner Rostin Behnam Regarding Proposed Rules on Real-Time Public Reporting and Swap Data Recordkeeping	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement022020
3/18/2020	Statement of Commissioner Rostin Behnam on Margin Requirements for Uncleared Swaps for Swap Dealers and	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement031820

Date	Publication and Title	Link
3/24/2020	Major Swap Participants Statement of Commissioner Rostin Behnam Regarding COVID-19 and CFTC Digital Assets Rulemaking	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement032420
4/10/2020	Dissenting Statement of Commissioner Rostin Behnam Regarding CFTC's Extension of Currently Open Comment Periods in Response to the COVID-19 Pandemic	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement041020
4/14/2020	Statement of CFTC Commissioner Rostin Behnam Regarding Part 190 Bankruptcy Regulations	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement041420
4/14/2020	Concurring Statement of Commissioner Rostin Behnam Regarding Amendments to	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement041420b

Date	Published Speeches, Statements, and Recordings of Rostin Behnam as CFTC Acting Chairman and Commissioner	Link
	Compliance Requirements for Commodity Pool Operators and Form CPO-PQR	
5/28/2020	Statement of Commissioner Rostin Behnam Regarding Notice of Proposed Rulemaking Regarding an Exemption from Registration for Certain Foreign Persons Acting as Commodity Pool Operators of Offshore Commodity Pools and Reopening of Comment Period	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement052820b
5/28/2020	Statement of Commissioner Rostin Behnam Regarding Interim Final Rule with Request for Comment on Margin Requirements for Uncleared Swaps for	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement052820

Date	Publication and Title	Link
6/4/2020	Swap Dealers and Major Swap Participants Statement of Commissioner Rostin Behnam Regarding Amendments to Registration and Compliance Requirements for CPOs and CTAs: Prohibiting Exemptions under Regulation 4.13 on Behalf of Persons Subject to Certain Statutory Disqualifications	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement060420
6/25/2020	Dissenting Statement of Commissioner Rostin Behnam Regarding Revisions to the Volcker Rule	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement062520
6/25/2020	Dissenting Statement of Commissioner Rostin Behnam Regarding Electronic Trading Risk Principles	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement062520b

Date	Published Speeches, Statements, and Recordings of Rostin Behnam as CFTC Acting Chairman and Commissioner	Link
6/25/2020	Joint Statement of Chairman Heath P. Tarbert, Commissioner Rostin Behnam, and Commissioner Dan M. Berkovitz in Support of Final Rule Restricting Post-Trade Name Give-Up	https://www.cftc.gov/PressRoom/SpeechesTestimony/tarbertbehnamberkovitzjointstatement062520
6/25/2020	Concurring Statement of Commissioner Rostin Behnam Regarding Exemption from the Swap Clearing Requirement for Certain Affiliated Entities – Alternative Compliance Frameworks for Anti-Evasonary Measures	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement062520c
6/25/2020	Statement of Commissioner Rostin Behnam Regarding Notice of Proposed	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement062520d

Date	Publication and Title	Link
	Rulemaking on Margin Requirements for Uncleared Swaps for Swap Dealers and Major Swap Participants	
7/21/2020	Opening Statement of Commissioner Rostin Behnam before the Market Risk Advisory Committee	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement072120
7/22/2020	Opening Statement of Commissioner Rostin Behnam before the Meeting of the Commodity Futures Trading Commission	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement072220
7/22/2020	Dissenting Statement of Commissioner Rostin Behnam on Capital Requirements of Swap Dealers and Major Swap Participants	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement072220b
7/23/2020	Dissenting Statement of Commissioner	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement072320

Date	Publication and Title	Link
	Rostin Behnam Regarding the Cross-Border Application of the Registration Thresholds and Certain Requirements Applicable to SDs and MSPs	
9/17/2020	Statements of Concurrence by Commissioner Rostin Behnam Regarding Final Rules on Real-Time Public Reporting, Swap Data Recordkeeping, and Swap Data Repositories	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement091720
9/17/2020	Statement of Commission Rostin Behnam Regarding Registration with Alternative Compliance for Non-U.S. DCOs	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement091720b
9/29/2020	Joint Statement of Concurrence of Commissioners	https://www.cftc.gov/PressRoom/SpeechesTestimony/stumpbehnamjointstatement092920

Date	Publication and Title	Link
10/1/2020	<p>Dawn D. Stump and Rostin Behnam Regarding JPMorgan Chase & Co., <i>et al</i></p> <p>Testimony of Commissioner Rostin Behnam before the House Select Committee on the Climate Crisis; Creating a Climate Resilient America: Strengthening the U.S. Financial System and Expanding Economic Opportunity</p>	<p>https://www.cftc.gov/PressRoom/SpeechesTestimony/opabehnam16</p>
10/6/2020	<p>Concurring Statement of Commissioner Rostin Behnam Regarding the Amendments to Compliance Requirements for Commodity Pool Operators and Form CPO-PQR</p>	<p>https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement100620</p>

Date	Published Speeches, Statements, and Recordings of Rostin Behnam as CFTC Acting Chairman and Commissioner	Link
10/15/2020	Opening Statement of Commissioner Rostin Behnam before the Meeting of the Commodity Futures Trading Commission	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement101520
10/15/2020	Statement of Dissent of Commissioner Rostin Behnam Regarding Position Limits for Derivatives	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement101520c
10/22/2020	Statement of Commissioner Rostin Behnam before Joint Open Meeting of the CFTC and SEC	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement102220
11/18/2020	Statement of Commission Rostin Behnam Regarding Exemption from Derivatives Clearing Organization Registration, Final Rule	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement111820
11/23/2020	Statement of Commissioner	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement112320

Date	Publication and Title	Link
	Rostin Behnam Regarding Staff Report on April 20, 2020 Trading in NYMEX WTI Crude Oil Futures Contract	
12/8/2020	Concurring Statement of Commissioner Rostin Behnam Regarding Swap Execution Facilities and Trade Execution Requirement	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement120820b
12/8/2020	Statement of Commissioner Rostin Behnam Regarding Part 190 Bankruptcy Regulations	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement120820c
12/8/2020	Dissenting Statement of Commissioner Rostin Behnam Regarding Electronic Trading Risk Principles	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement120820
2/23/2021	Opening Statement of Acting Chairman Rostin Behnam before the Market	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement022321

Date	Publication and Title	Link
6/3/2021	Risk Advisory Committee Opening Statement of Acting Chairman Rostin Behnam before the Energy and Environmental Markets Advisory Committee	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement060321
6/8/2021	Remarks of Acting Chairman Rostin Behnam at the SOFR Symposium: The Final Year sponsored by the Alternative Reference Rates Committee (ARRC)	https://www.cftc.gov/PressRoom/SpeechesTestimony/opabehnam17
6/11/2021	Statement of Acting Chairman Rostin Behnam at the Open Session of the Meeting of the Financial Stability Oversight Council	https://www.cftc.gov/PressRoom/SpeechesTestimony/opabehnam18
7/13/2021	Opening Statement of Acting Chairman Rostin Behnam before the Market Risk Advisory Committee	https://www.cftc.gov/PressRoom/SpeechesTestimony/behnamstatement071321

UNITED STATES OFFICE OF
GOVERNMENT ETHICS



September 24, 2021

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

Dear Madam Chairwoman:

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 Biden for the positions of Chairman and 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 J. Apol
General Counsel

Enclosures



June 28, 2021

John Einstman
Deputy 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. Einstman:

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 Chairman and Commissioner for the Commodity Futures Trading Commission ("CFTC"). It is my responsibility to understand and comply with commitments outlined in this agreement.

SECTION 1 – GENERAL COMMITMENTS

As required by the criminal conflicts of interest law at 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 particular 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 an officer, director, trustee, general partner, or employee; and
- Any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

In the event that an actual or potential conflict of interest arises during my appointment, I will consult with an agency ethics official and take the measures necessary to resolve the conflict, such as recusal from the particular matter or divestiture of an asset.

As required by 7 U.S.C. § 2(a)(8), I understand that, when I am appointed as Chairman and Commissioner of the CFTC, I will be prohibited during my term from engaging in 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 Chairman and Commissioner of the CFTC, I must comply with the requirements of 7 U.S.C. §§ 6, 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.

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 regulatory exemption for diversified mutual funds and unit investment trusts at 5 C.F.R. § 2640.201(a), obligations of the United States, or municipal bonds.

I will receive a live ethics briefing from a member of the ethics office after my confirmation but not later than 15 days after my appointment pursuant to the ethics program regulation at 5 C.F.R. § 2638.305. Within 90 days of my confirmation, I will submit my Certification of Ethics Agreement Compliance which documents my compliance with this ethics agreement.

I understand that as an appointee I will be required to sign the Ethics Pledge (Exec. Order No. 13989) and that I will be bound by it. Among other obligations, I will be required to recuse from particular matters involving specific parties involving my former employer or former clients for a period of two years after I am appointed, with the exception of federal, state and local government.

I will not modify this ethics agreement without your approval and the approval of the U.S. Office of Government Ethics pursuant to the ethics agreement requirements contained in the financial disclosure regulation at 5 C.F.R. § 2634.803(a)(4).

SECTION 2 – SPOUSE EMPLOYMENT

My spouse works as a consultant. For as long as my spouse continues to provide these services, I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on my spouse's compensation or contracts, unless I first obtain a written waiver, pursuant 18 U.S.C. § 208(b)(1). Pursuant to the impartiality regulation at 5 C.F.R. § 2635.502, I also will not participate personally and substantially in any particular matter involving specific parties in which I know a client of my spouse is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

My spouse has an equity interest in Pitango Gelato Franchise Co., LLC, an Italian-style eatery and cafe. 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 Pitango Gelato Franchise Co., LLC, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1).

SECTION 3 – PUBLIC POSTING

I have been advised that this ethics agreement and the Certification of Ethics Agreement Compliance will be posted publicly, consistent with the public information law at 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 blue ink, appearing to read "R. Behnam".

Rostin Behnam

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

Filer's Information

Behnam, Rostin

Chair, Commodity Futures Trading Commission

Other Federal Government Positions Held During the Preceding 12 Months:

Commissioner, Commodity Futures Trading Commission (6/2020 - 1/2021)

Commissioner/Acting Chair, Commodity Futures Trading Commission (1/2021 - 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 06/13/2021 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/ Einsteinman, John C, Certifying Official [electronically signed on 09/21/2021 by Einsteinman, John C in Integrity.gov]

Other review conducted by

U.S. Office of Government Ethics Certification
/s/ Apol, David, Certifying Official [electronically signed on 09/24/2021 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	Invesco QQQ Trust, Series 1 ETF (QQQ)	Yes	\$15,001 - \$50,000		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	PJPA, LLC (Restaurant Franchise Management Company)	See Endnote		Salary	

#	DESCRIPTION	EIF	VALUE	INCOME TYPE	INCOME AMOUNT
2	Bengur Bryan & Co Inc. (investment banking)	N/A		Consulting Fees for providing consulting services to Bengur Bryan clients.	
3	IRA #1	No			
3.1	Chubb Ltd. (Insurance Company) (CB)	N/A	\$1,001 - \$15,000		None (or less than \$201)
3.2	The Coca-Cola Company (KO)	N/A	\$1,001 - \$15,000		None (or less than \$201)
3.3	Diageo plc (ADR) (DEO)	N/A	\$1,001 - \$15,000		None (or less than \$201)
3.4	Lockheed Martin Corporation (LMT)	N/A	\$1,001 - \$15,000		None (or less than \$201)
3.5	Thermo Fisher Scientific (TMO)	N/A	\$1,001 - \$15,000		None (or less than \$201)
3.6	Walt Disney Co (DIS)	N/A	\$1,001 - \$15,000		None (or less than \$201)
3.7	Yum! Brands Inc (YUM)	N/A	\$1,001 - \$15,000		None (or less than \$201)
3.8	Adobe Systems Incorporated - Common Stock (ADBE)	N/A	\$1,001 - \$15,000		None (or less than \$201)
3.9	United Parcel Service Inc B (UPS)	N/A	\$1,001 - \$15,000		None (or less than \$201)
3.10	Alphabet Inc. (GOOG)	N/A	\$1,001 - \$15,000		None (or less than \$201)
3.11	PPG Industries Inc (PPG)	N/A	\$1,001 - \$15,000		None (or less than \$201)

#	DESCRIPTION	EIF	VALUE	INCOME TYPE	INCOME AMOUNT
3.12	Costco Wholesale Corp (COST)	N/A	\$1,001 - \$15,000		None (or less than \$201)
3.13	Centene Corporation (CNC)	N/A	\$1,001 - \$15,000		None (or less than \$201)
3.14	Estee Lauder Cos. (EL)	N/A	\$1,001 - \$15,000		None (or less than \$201)
3.15	Stanley Black & Decker (SWK)	N/A	\$1,001 - \$15,000		None (or less than \$201)
3.16	Zoetis Inc (ZTS)	N/A	\$1,001 - \$15,000		None (or less than \$201)
3.17	Kansas City Southern (KSU)	N/A	\$1,001 - \$15,000		None (or less than \$201)
3.18	SPDR EURO STOXX 50 (FEZ)	Yes	\$1,001 - \$15,000		None (or less than \$201)
4	IRA #2	No			
4.1	American Tower Corp (REIT) A (AMT)	N/A	\$1,001 - \$15,000		None (or less than \$201)
4.2	Apple Inc. (AAPL)	N/A	\$1,001 - \$15,000		None (or less than \$201)
4.3	Becton Dickinson & Co (BDX)	N/A	\$1,001 - \$15,000		None (or less than \$201)
4.4	Intel Corporation (INTC)	N/A	\$1,001 - \$15,000		None (or less than \$201)
4.5	Raytheon Technologies Company (RTX)	N/A	\$1,001 - \$15,000		None (or less than \$201)
4.6	Crown Castle Intl Corp (CCI)	N/A	\$1,001 - \$15,000		None (or less than \$201)
4.7	Alphabet, Inc. (GOOG)	N/A	\$1,001 - \$15,000		None (or less than \$201)

#	DESCRIPTION	EIF	VALUE	INCOME TYPE	INCOME AMOUNT
4.8	Amazon.com, Inc. (AMZN)	N/A	\$1,001 - \$15,000		None (or less than \$201)
4.9	Diageo plc (ADR) (DEO)	N/A	\$1,001 - \$15,000		None (or less than \$201)
4.10	PPG Industries, Inc. (PPG)	N/A	\$1,001 - \$15,000		None (or less than \$201)
4.11	United Parcel Service Inc B (UPS)	N/A	\$1,001 - \$15,000		None (or less than \$201)
4.12	Walt Disney Co (DIS)	N/A	\$1,001 - \$15,000		None (or less than \$201)
4.13	SPDR EURO STOXX 50 (FEZ)	Yes	\$1,001 - \$15,000		None (or less than \$201)
5	Visionary Consulting Partners, LLC (provides business management consulting to the healthcare sector)	N/A		Consulting Fees for providing consulting services to Visionary Consulting Partners, LLC clients.	
6	Economist Group Ltd. (publishing and broadcasting)	N/A		Consulting Fees	
7	Pitango Gelato Franchise Co., LLC (equity interest in an Italian style eatery and cafe)	See Endnote	\$50,001 - \$100,000	Business Income	

6. Other Assets and Income

#	DESCRIPTION	EIF	VALUE	INCOME TYPE	INCOME AMOUNT
1	U.S. bank account #1 (cash)	N/A	\$15,001 - \$50,000		None (or less than \$201)

#	DESCRIPTION	EIF	VALUE	INCOME TYPE	INCOME AMOUNT
2	U.S. bank account #2 (cash)	N/A	\$50,001 - \$100,000		None (or less than \$201)
3	Maryland Prepaid College Trust (MPCT), University Plan - 4 Years	N/A	\$15,001 - \$50,000		None (or less than \$201)
4	Residential Real Estate, Baltimore, MD	See Endnote	None (or less than \$1,001)	Rent or Royalties	\$2,501 - \$5,000
5	U.S. brokerage account #1	No			
5.1	Fortune Brands Home & Security Inc (FBHS)	N/A	\$1,001 - \$15,000		None (or less than \$201)
5.2	Abbot Laboratories (ABT)	N/A	\$1,001 - \$15,000		None (or less than \$201)
5.3	Abbvie Inc (ABBV)	N/A	\$1,001 - \$15,000	Dividends	\$201 - \$1,000
5.4	Johnson & Johnson (JNJ)	N/A	\$1,001 - \$15,000		None (or less than \$201)
5.5	Lockheed Martin (LMT)	N/A	\$1,001 - \$15,000	Dividends	\$201 - \$1,000
5.6	Microsoft Corp (MSFT)	N/A	\$15,001 - \$50,000		None (or less than \$201)
5.7	PepsiCo Inc (PEP)	N/A	\$1,001 - \$15,000		None (or less than \$201)
5.8	Procter & Gamble (PG)	N/A	\$1,001 - \$15,000		None (or less than \$201)
5.9	3M Co (MMM)	N/A	\$1,001 - \$15,000		None (or less than \$201)
5.10	Johnson Controls Inc (JCI)	N/A	\$1,001 - \$15,000	Dividends	\$201 - \$1,000
5.11	Lowe's Companies Inc. (LOW)	N/A	\$1,001 - \$15,000		None (or less than \$201)
5.12	NIKE Inc B (NKE)	N/A	\$1,001 - \$15,000		None (or less than \$201)

#	DESCRIPTION	EIF	VALUE	INCOME TYPE	INCOME AMOUNT
5.13	Danaher Corporation (DHR)	N/A	\$15,001 - \$50,000		None (or less than \$201)
6	UTMA #1	No			
6.1	iShares MSCI ACWI Index Fund (ACWI)	Yes	\$1,001 - \$15,000		None (or less than \$201)
7	UTMA #2	No			
7.1	iShares MSCI ACWI Index Fund (ACWI)	Yes	\$1,001 - \$15,000		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	Conduent Education Services	Student Loan	\$15,001 - \$50,000	2005	2.875	No Term. Fixed monthly payments
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

PART	#	ENDNOTE
5.	1	Filer's spouse ceased working for RUPA, LLC in March 2021.
5.	7	Filer's spouse holds 1/3 interest in this business.
6.	4	The property was sold in April 2020.
8.	2	Sold property in April 2020, and no longer had mortgage liability as of filing date.

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 (1) that ended the reporting period with a value greater than \$1,000 or (2) from which more than \$200 in income was received 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 earned 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 (1) that ended the reporting period with a value greater than \$1,000 or (2) from which more than \$200 in income was received 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, (1) that ended the reporting period with a value greater than \$1,000 or (2) from which more than \$200 in investment income was received 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 in income was received). 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 the 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 \$415 that the filer, the filer's spouse, and dependent children received from any one source during the reporting period.
- Travel reimbursements totaling more than \$415 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 \$166 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. Failure to provide the requested information may result in separation, disciplinary action, or civil action. 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 a source when necessary to obtain information relevant to a conflict of interest investigation or determination; (4) to the National Archives and Records Administration or the General Services Administration in records management inspections; (5) to the Office of Management and Budget during legislative coordination on private relief legislation; (6) when the disclosing agency determines that the records are arguably relevant to a proceeding before a court, grand jury, or administrative or adjudicative body, or in a proceeding before an administrative or adjudicative body when the adjudicator determines the records to be relevant to the proceeding; (7) to reviewing officials in a new office, department or agency when an employee transfers or is detailed from one covered position to another, a public financial disclosure report and any accompanying documents, including statements notifying an employee's supervising ethics office of the commencement of negotiations for future employment or compensation or an agreement for future employment or compensation; (8) to a Member of Congress or a congressional office in response to an inquiry made on behalf of and at the request of an individual who is the subject of the record; (9) 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 this system of records; (10) on the OGE Website and to any person, department or agency, any written ethics agreement, including certifications of ethics agreement compliance, filed with OGE by an individual nominated by the President to a position requiring Senate confirmation; (11) on the OGE Website and to any person, department or agency, any certificate of divestiture issued by OGE; (12) on the OGE Website and to any person, department or agency, any waiver of the restrictions contained in Executive Order 13770 or any superseding executive order; (13) to appropriate agencies, entities and persons when there has been a suspected or confirmed breach of the system of records, the agency maintaining the records has determined that there is a risk of harm to individuals, the agency, the Federal Government, or national security, and the disclosure is reasonably necessary to assist in connection with the agency's efforts to respond to the suspected or confirmed breach or to prevent, minimize, or remedy such harm; and (14) to another Federal agency or Federal entity, when the agency maintaining the record determines that information from this system of records is reasonably necessary to assist the recipient agency or entity in responding to a suspected or confirmed breach or in preventing, minimizing, or remedying the risk of harm to individuals, the recipient agency or entity, the Federal Government, or national security. 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 ten 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, N.W., 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).



U.S. COMMODITY FUTURES TRADING COMMISSION

Three Lafayette Centre
1155 21st Street, NW, Washington, DC 20581
www.cftc.gov

Rostin Behnam
Acting Chairman

(202) 418-5030
Chairman@CFTC.gov

October 25, 2021

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

Dear Ms. Chairwoman:

Please be advised that, pursuant to Section 101(b) of the Ethics in Government Act of 1978, as amended (the "Act"), I have informed the appropriate ethics officials that the information required by Section 102(a)(1)(A) of the Act with respect to income and honoraria, and which is contained within the OGE Form 278e (Executive Branch Public Financial Disclosure Report) I executed on June 13, 2021, remains correct and is current as of October 25, 2021. This date is within five days prior to the date of the first hearing scheduled to consider my nomination.

Sincerely,

Rostin Behnam

QUESTIONS AND ANSWERS

OCTOBER 27, 2021

Senate Committee on Agriculture, Nutrition & Forestry

Nomination of Rostin Behnam to serve as Chairman and a Commissioner of the CFTC

October 27, 2021

Questions for the Record

Chairwoman Debbie Stabenow

1. Since being named Acting Chair of the CFTC, you created the position of Chief Diversity Officer, who reports directly to the Chair and is tasked with promoting diversity, equity, and inclusion across the agency. What additional steps would you take, if confirmed, to enhance the diversity of the CFTC's workforce and ensure equitable and inclusive treatment for all employees?

A: If confirmed, I will direct and support the CFTC's Office of Minority, Women, & Inclusion (OMWI), led by the new Chief Diversity Officer (CDO), in providing expert advice and guidance to CFTC leadership and management officials towards the successful design, implementation, and maintenance of the Commission's first agency-wide diversity, equity, inclusion, and accessibility (DEIA) strategy. That strategy should be one that addresses issues presented by emerging trends and specific challenges and utilizes DEIA data towards meeting the agency's strategic goals and objectives as supported by attracting, retaining, and developing a high performing workforce. That strategy should also ensure that agency leadership and management are held accountable for supporting and incentivizing progress towards embedding DEIA in the fabric of the Commission's operations and throughout its workforce.

One of my key priorities for the long-term success of the CFTC will be implementing initiatives to build a diverse talent pipeline for CFTC positions through the Pathways Program, exploration of a Student Honors Program available to other financial regulators, and recruiting at Historically Black Colleges and Universities, Hispanic Serving Institutions, and other diverse communities. With appropriate resources, I will support all employees with coaching and mentoring opportunities to aid in their professional development and support their well-being.

2. What is your management approach to working with unions? Do you commit to working with the CFTC's union representatives on issues related to the workplace, including issues involving returning to the office, telework, and any other lessons learned about the workplace as a result of the pandemic?

A: Since assuming the role of Acting Chair, I have developed a constructive relationship with the CFTC's union, the National Treasury Employees Union ("NTEU"). We have maintained an active dialog these last nine months, and if confirmed, I will continue my commitment to working with the NTEU representatives on issues related to the workplace, and in particular those involving a strategy to return to the office in a safe

manner. I commit to negotiating agreements that advance the interests of the bargaining unit and the agency, and will continue to do so in an atmosphere of mutual concern for the health and well-being of CFTC employees and the continued success of the Commission in achieving its goals and mission.

3. The U.S. federal government and the private sector are facing increasingly sophisticated malicious cyber attacks. With the emergence of new financial technologies and the interconnectedness of the global financial system, cybersecurity risks will continue to threaten the work of the CFTC and market participants. If confirmed, what steps will you take to ensure that the CFTC and its registrants are prepared to respond to future cyber threats?

A: If confirmed, I will ensure the CFTC works closely with our colleagues across the federal government and private market participants to ensure all parties continue to operate from the same playbook and address issues, challenges, and risks of mutual concern as a more powerful collective group. While the CFTC has excellent and dedicated staff, our resources are limited, particularly in contrast to the constantly evolving and increasing level of sophistication of cyber-threats, the growth of the derivatives markets, and the expansion of the threat surface connected with digital innovation. Since becoming Acting Chair, I initiated the agency's first ever remote table-top exercise in response to the Solar Winds attack, as a measure for preparedness in the case of a similar attack. If confirmed, I will continue to initiate table-top and similar scenario exercises internally and externally to ensure maximum preparedness both at the CFTC and among our market participants.

4. One of the key components of the Dodd-Frank Act reforms was to lessen counterparty risk by subjecting certain derivatives contracts to central clearing. What is the CFTC doing to monitor systemically important clearinghouses?

A: The CFTC's Division of Clearing and Risk monitors systemically important clearinghouses by conducting daily risk surveillance and annual examinations. Moreover, there are special certification procedures for the submission of changes to a systemically important clearinghouse's rules, procedures, or operations that could materially affect the nature or level of risk presented by such clearinghouse. As global financial markets continue to grow, and the role of central clearing becomes increasingly critical to a resilient market ecosystem, the CFTC will continue to closely monitor systemically important clearinghouses in partnership with domestic and global partners to ensure the safety and soundness of these institutions.

5. The CFTC recently designated KalshiEX LLC as a contract market, making KalshiEX the first regulated financial exchange dedicated to trading event contracts. Event contracts are derivatives contracts that pay out based on the occurrence or value of a future event, such as a weather or sporting event.

- a. How are event contracts used to manage risk and discover prices?

A: Designated contract markets, or DCMs, have represented that event contracts can be used to manage risks associated with a given possible future event, such as a weather, sporting, or policy driven event, occurring or not occurring. Similarly, DCMs have represented that such event contracts could serve a price discovery function by providing entities with greater information regarding the likelihood of a future event, enabling them to make business decisions on the basis of that information.

- b. Are there limitations on the types of event contracts that can be traded on regulated derivatives exchanges?

A: Current Commission Regulation 40.11(a) states that a registered entity “shall not list for trading or accept for clearing” any contract that involves, relates to, or references terrorism, assassination, war, gaming, or an activity that is unlawful under any State or Federal law. Given the evolving nature of risks, emerging technology, and the appetite to provide non-traditional risk management tools, I look forward to working with you to address any statutory limitations.

- 6. If you are confirmed, I look forward to working with you, including on upcoming legislation and other issues. If confirmed, do you agree, without reservation, to:

- a. Promptly reply to requests for information from me or any duly constituted committee of the Congress?

A: Yes.

- b. Respond to my requests for data and technical assistance in informing or drafting legislation or implementation of the law?

A: Yes.

Ranking Member John Boozman

1. What rulemakings at the CFTC do you think make sense to help drive market behavior that combats climate change, while also providing flexibility to market participants?

A: The newly formed CFTC Climate Risk Unit will serve as the agency hub to evaluate what appropriate steps the CFTC can take, including through possible rulemaking, to mitigate the physical risks of climate change, and also to develop balanced incentives to drive market behavior towards minimizing transition risk and other associated risks, while providing flexibility to market participants. I will continue to work closely with a wide constituency of market participants and interested parties to support agency action.

2. In the report you sponsored, “Managing Climate Risk in the U.S. Financial System,” an issue discussed is whether financial system stress caused by climate change could “reduce access to certain financial products, such as hedging instruments.” What is meant by this statement, and do you believe climate change could reduce access to futures, options, swaps or other derivatives?

A: The “Managing Climate Risk in the U.S. Financial System” report was authored by the Climate-Related Market Risk Subcommittee of the Market Risk Advisory Committee. As the sponsor, I cannot provide full context for what the subcommittee intended by this statement, but can share observations about the report. The subcommittee wrote that climate-related risk may produce “sub-systemic” shocks that could reduce access of “businesses, farmers, and residents in particular communities” to certain hedging instruments. The subcommittee discussed a number of possible shock scenarios. For example, “a combination of slow onset and sudden extreme weather events in major agricultural states...could lead to high volatility in certain agricultural commodity prices.” Such high volatility could result the loss of market liquidity that could temporarily interfere “with the smooth functioning of the commodity futures markets.” The subcommittee also discussed the potential impact of a climate-related event on the physical operation of derivatives clearing organizations. A disruption of operations at a systemically important derivatives clearing organization could result in a loss of access to futures, options, swaps, or other derivatives.

3. In 2019, Senator Durbin and I introduced legislation directing the CFTC to review cross border regulatory relief, exemptions, and approvals for entities in foreign jurisdictions attempting to supervise U.S. based clearinghouses. European financial regulators granted temporary equivalency for these clearinghouses operating in the UK post-Brexit, but only through June 2022. How are discussions between the CFTC, EU, and other foreign regulators proceeding on this and other cross-border issues, including U.S. customer access to foreign clearinghouses, and do you support cross-border regulation that relies on foreign regulation when it is comparable and comprehensive to that of the CFTC’s?

A: The CFTC is monitoring and in active communication with relevant international counterparts regarding all post-Brexit EU and UK regulatory activity, and the end of the temporary equivalence set to expire in June 2022 for clearinghouses operating in the UK.

I support cross-border regulation that relies on foreign regulation when it is comparable and comprehensive to that of the CFTC. I also support U.S. customer access to foreign clearinghouses when U.S. customer protections are consistent and comparable with those of U.S. law.

4. I commend the CFTC for its efforts over the past few years to ramp up efforts to punish individuals and entities that are not playing by the rules. While I certainly support punishing bad actors, I have been told by numerous agricultural stakeholders that enforcement continues to play a larger role at the CFTC, even in situations where violations are minor, unintentional, and could easily be corrected. What are your thoughts on the roles and interactions of the Division of Market Oversight and the Division of Enforcement, and do you think CFTC should work with market participants to proactively fix issues when violations are inadvertent and largely immaterial, or should all violations result in fines and other penalties?

A: I support a strong enforcement program that invigorates a culture of compliance reinforced by enforcement that roots out fraud, manipulation, and market abuse, and sends a strong, clear message to bad actors of accountability and deterrence. I also support working proactively with market participants and the CFTC's other operating divisions to support resolving issues before they become violations, particularly if these issues are inadvertent and largely immaterial.

5. In recent years, the CFTC looked at the possibility of allowing for the creation of sports futures contracts that would allow legal, regulated sports books, as well as other industries affected by sports outcomes, to hedge risk. Can you briefly explain what risks these contracts are designed to hedge against?

A: Exchanges that have sought to list sports futures contracts have represented the contracts would allow entities like licensed sportsbooks, vendors and stadium owners to hedge risks ranging from the risk of an unbalanced sportsbook (e.g., if the majority of customers for a licensed sportsbook in a state overwhelmingly place wagers on one team, the sportsbook could be imbalanced and could trade the futures contracts to hedge the financial exposure associated with the imbalance instead of adjusting the odds) to lost revenue for vendors selling goods, food, beverages, and services if a team is not performing well. To date, these sports futures contracts have not been listed for trading by a CFTC-registered exchange.

6. During an MRAC meeting this past July you stated, "in anticipation of the end of LIBOR and its replacement with SOFR, my plan is to have staff present the Commission with a rule proposal addressing mandatory clearing of SOFR swaps, with the expectation of finalization in 2022." What update can you provide on the progress of this rule making?

A: CFTC staff in the Division of Clearing and Risk have prepared a request for information and public comment (RFI) on how the Commission could amend its swap clearing requirement to address the cessation of certain interbank offered rates (IBORs) (e.g., the London Interbank Offered Rate (LIBOR)) used as benchmark reference rates

and the market adoption of alternative reference rates; namely, overnight, nearly risk-free reference rates (e.g., the Secured Overnight Financing Rate (SOFR)). The Commission would be requesting input from market participants and all interested members of the public on aspects of the Commission's swap clearing requirement that may be affected by the transition from certain IBORs to alternative reference rates. Currently, the RFI is under Commission consideration. CFTC staff intends that responses to the RFI would inform a subsequent notice of proposed rulemaking.

7. What is your position on allowing non-systemically designated clearinghouses the ability to establish deposit accounts at the Federal Reserve to store cash collateral supporting centrally cleared derivatives? What discussions have you had with the Federal Reserve and other regulators on this topic?

A: The ability of non-systemically designated derivatives clearinghouses (Non-SIDCOs) to establish deposit accounts at the Federal Reserve to store cash collateral could further mitigate systemic risk by supporting liquidity throughout the cleared derivatives markets, and decreasing interconnectedness among Non-SIDCOs and banks. To date, I have not had formal discussions with the Federal Reserve or other regulators on this topic. CFTC staff have had conversations with Federal Reserve staff over the past few years. I believe any consideration of Non-SIDCO deposit account access should be done in close partnership and collaboration with the Federal Reserve.

8. Does the CFTC have concerns regarding "off chain" digital asset transactions, and do you believe "off chain" digital asset transactions should be subject to a reporting requirement like swaps?

A: While the CFTC's regulatory oversight authority over commodity cash markets is limited, the CFTC maintains general anti-fraud and manipulation enforcement authority over digital asset cash markets as a commodity in interstate commerce. If "off chain" transactions give rise to fraud or manipulation or otherwise involve retail leveraged or margin transactions required to be on an exchange or through a CFTC registrant, the CFTC Division of Enforcement will investigate and prosecute that conduct as appropriate. I believe it is important to consider expanding authority for the CFTC in the digital assets sector and would welcome the opportunity to consider a holistic regulatory approach.

9. Do you support Congress raising statutory caps on monetary penalties levied for violations of the CEA and providing the CFTC the authority to use these proceeds to fund agency operations?

A: I support a strong enforcement program that roots out fraud, manipulation, and market abuse, and significant monetary penalties are a necessary deterrent. I also support full funding of the CFTC in order to enable the agency to efficiently meet its responsibilities under the Commodity Exchange Act. If confirmed, I will work with Congress to ensure that the CFTC has adequate funding to fulfill its mission.

Senator Sherrod Brown

1. Where have you excelled in past positions in attracting, hiring, and promoting people of color in positions in your organization/s? Where might there be room for improvement?

A: As a CFTC Commissioner, I was intentional in hiring staff for my office that are diverse not only in race, ethnicity and gender, but in knowledge, perspectives, ideas, and experiences. Such diversity in viewpoints has resulted in positive outcomes for my office and contributed to its success. In April 2019, I engaged in direct and public outreach to the CFTC's Office of Minority and Women Inclusion to more fully ascertain why the CFTC is falling short of its commitment to support the recruitment and maintenance of a truly diverse CFTC workforce and how leadership could assist in making the necessary changes. This engagement further informed my decision making as a Commissioner and now as Acting Chairman. I believe the CFTC has significant room for improvement, and if confirmed, I intend to use lessons and experiences from my dialogue with OMWI, external advocacy groups, and thought leaders to improve promoting people of color at the CFTC.

2. What specific measures will you use to evaluate the success of the CFTC in understanding and addressing the needs of Black, Indigenous and people of color? And, will you keep Congress apprised, as appropriate, on the progress being made on these measures?

A: In March 2021, I created the position of Chief Diversity, Equity, Inclusion (DEI) and Equal Employment Opportunity (EEO) Officer (CDO), which is the CFTC's first C-suite position reporting directly to the Chairman responsible for providing leadership and executive direction on the CFTC's efforts to integrate and promote diversity, equity, inclusion and accessibility (DEIA) at all levels of the agency's workforce, senior leadership, and business operations. The CDO will provide expert advice and guidance to CFTC leadership and management officials towards the successful design, implementation, and maintenance of the Commission's first agency-wide DEIA strategy. That strategy should be one that addresses issues presented by emerging trends and specific challenges both internal and external to the Commission, and utilizes DEIA data towards meeting the agency's strategic goals and objectives, which include ensuring that our regulation of the derivatives markets promotes the interests of all Americans, considers the needs of all stakeholders, and ensures accessibility and appropriate customer protections. In addition to meeting with me regularly, the CDO will be responsible for developing an annual report to the Commission regarding the contract expenditures to minority-and-women-owned businesses, successes and challenges related to targeted hiring and procurement efforts, and other information, findings, conclusions, and recommendations the CDO determines are appropriate. If confirmed, I will keep Congress apprised of the Commission's progress on these and other related measures as we progress towards embedding DEIA in the fabric of the Commission's operations, throughout its workforce, and in the communities we serve.

3. What is your plan for creating an inclusive working environment for employees within your office?

A: If confirmed, I am committed to building a culture of belonging and everyday allies at the CFTC through the development of inclusive leaders and inclusive leadership behaviors. Under my direction as Acting Chairman, the CFTC staff have undertaken a review of the Commodity Exchange Act and its regulations to include gender neutral language where necessary. In addition, to foster a culture of inclusivity at the agency, the CFTC has implemented a policy enabling employees to include personal pronouns in their email signatures.

Senator Kirsten Gillibrand

1. As you touched upon in your written testimony, cyber security is a major priority. It is clear that cyber-attacks have become a major threat throughout the world and could result in massive swings in valuation, lost intellectual property, or significant market disruptions through hacks or other targeted cyber-attacks.

- a. How do you see the CFTC working with market participants, both big and small, to address the growing cyber threat?

A: If confirmed, I will ensure the CFTC works closely with our colleagues across the federal government and private market participants to ensure all parties, both big and small, continue to operate from the same playbook, actively and decisively addressing issues, challenges, and risks of mutual concern. Since becoming Acting Chair, I initiated the agency's first ever remote table-top exercise in response to the Solar Winds attack as a measure for preparedness in the case of a similar attack. If confirmed, I will continue to initiate table-top and similar scenario exercises internally and externally to ensure maximum preparedness by relevant staff.

- b. How do you see the Commission's current ability to effectively oversee the market place, and prevent cyberattacks; and the CFTC's own ability to manage and guard proprietary information?

A: While we have excellent and dedicated staff, our resources are limited, especially in contrast to the continuously developing cyber-threats, the growth of the derivatives markets, and the expansion of the threat surface connected with digital innovation. Our industry is one of the most well-resourced and innovative in the world, and we must keep pace as it builds its own defenses to fight off cyber-threats. Our internal systems use federal encryption standards, our authentication process involves strong multi-factor authentication, and our Security Operations Center continuously monitors and protects our network and systems.

- c. What enforcement mechanisms would you like to see the CFTC develop or use against bad actors? How would you address risks associated with highly sophisticated and rapidly evolving algorithmic trading mechanisms?

A: The CFTC has authority to address risks associated with automated trading mechanisms that may result in market disruptions or manipulation. I believe that the CFTC can and should use this authority to deter bad actors. Given the rapidly developing technology supporting highly sophisticated trading systems, it is imperative the CFTC focus and further develop surveillance and market monitoring programs, through technology and personnel expertise, to keep pace with market advancements.

2. The U.S. derivatives market is approximately worth more than \$380 trillion. That includes \$65 trillion worth of Futures and Options, and \$315 trillion of swaps. There are approximately 675 employees that work at the CFTC. Currently, the CFTC's budget is \$304 million, far below other prudential regulators with similar regulatory responsibilities.

- a. Do you think that Congress should continue to look at how other financial regulators, like the SEC, use mandatory funding mechanisms to provide a more reliable and standard funding source for the CFTC?

A: I believe that Congress should continue to look at the funding structures of other financial regulators, like the SEC's mandatory funding mechanism, to help inform policy that will provide the CFTC with more reliable and standard funding.

Senator Ben Ray Luján

1. Commissioner Behnam, in September 2018 the CFTC released a whitepaper titled Expanding Customer Education Initiatives. In this report, the Commission acknowledged the need for additional educational outreach to consumers in the western United States. This report highlighted that the western most CFTC permanent presence is located in Kansas City, Missouri.

Beyond geographical diversity, the Commission should also consider socially disadvantaged and racial minority communities when developing the Commission's educational programs.

Let me share an example as to why this matters. Earlier this year, the CFTC announced charges in New Mexico involving a \$10 million Ponzi scheme where New Mexicans were scammed out of funds they thought were being invested in the futures market.

- a. Since the release of the 2018 report, what has the Commission done to address some of the shortcomings highlighted in the report, specifically for historically underserved western states like New Mexico?

A: In May 2019, shortly after the release of the 2018 whitepaper on Expanding Customer Education Initiatives, I traveled to the western United States as part of an ongoing effort to speak to and share my views directly to with members of industry, market participants, end-users, and the public. During that trip, I visited a grain elevator outside of Phoenix and learned more about the issues facing our stakeholders in western states. Participating in meetings and conversations like these are invaluable to formulating agency goals and ideals that are grounded in the real-world concerns and challenges of market participants. If confirmed, I look forward to working with your office and visiting New Mexico.

With guidance from agency leadership, since 2019, the Commission's Office of Customer Education and Outreach (OCEO) turned its attention to providing education and outreach to farmers and ranchers, servicemembers and veterans, and "Main Street" institutional customers. OCEO developed program plans for each of those audiences. OCEO, which has since transitioned into the Consumer Education and Outreach Branch (CEOB) within the Commission's Market Participant's Division, has continued to build strategic partnerships with entities and organizations with existing networks to target local audiences throughout the United States.

- b. If confirmed as Chairman, what actions would you initiate to ensure that socially disadvantaged communities, which are at higher risk of being impacted by fraud, are included in Commission plans for educational outreach?

A: If confirmed, I will ensure that CEOB has sufficient funds and human capital to survey retail participation in our markets and gather fresh data about who is using them, how they are using them, and what behaviors they display. The evidence would support the creation of effective education materials and outreach strategies targeted towards the communities that need them most.

c. What challenges, if any, does the CFTC face in providing this much needed outreach?

A: The Dodd-Frank Wall Street Reform and Consumer Protection Act established the Customer Protection Fund, without further appropriation, to implement the CFTC's customer protection programs. Section 23(g)(2) of the Commodity Exchange Act limits the use of the Customer Protection Fund (CPF) to the funding of customer education initiatives "designed to help customers protect themselves against fraud or other violations of the CEA or the rules and regulations thereunder." The Commission has interpreted this language as limiting the CEOB from engaging in general educational outreach regarding the purpose, operation, and use of the derivatives markets absent a tie in to fraud/abuse prevention. This hampers the Commission's ability to use its expertise to educate a broader group of market participants and vulnerable communities. The appropriations conflict could be resolved by broadening the language of Section 26(g)(2)(B) to allow the CPF to be used for education more broadly.

2. We are seeing today the negative impacts climate change is having on communities and institutions across this nation and we need to be planning now how to mitigate those risks.

I want to first thank you for your leadership on commissioning the CFTC study looking at the risk climate change poses to the U.S. financial system and the creation of the CFTC Climate Risk unit.

In the Commission's report, it mentions the need for financial market participants dealing in agricultural commodities to adapt to climate change risks by devising new ways to value, price, and manage climate risk, including the need to provide actuarially sound risk management tools such as crop insurance, based on best available data.

In New Mexico we pride ourselves on the diversity of our agriculture economy and my main mission on this committee is to ensure that policies and products that come out of our federal agencies are not a "one size fits all" approach.

- a. Has the commission looked at how these recommendations could vary regionally and developed recommendations on ways to develop financial and risk management tools that best address the specific needs of different regions and the unique crops and growing regions of each state?

A: The Commission's economists and analysts historically have examined regional and local inputs that impact agricultural producers in different ways across the country. If confirmed, I plan to run the Climate Risk Unit in a similar way, taking advantage of expertise across the agency with a very close eye to regional variability. Although the risk that climate poses is a national challenge, every region experiences shifting weather patterns and climate impacts differently. As a result, the work of the Climate Risk Unit does not ascribe to a "one size fits all" approach, but rather narrowly tailors its work to support the needs of individual producers across different regions of the United States.

3. As you are aware, the Commission has the responsibility of providing market security and predictability and unfortunately, we know that market manipulation by bad actors in the commodities market causes real pain for American families and producers.

These illegal actions lead to loss of incomes for farmers and ranchers, and higher prices at the grocery store and fuel pump.

Historically the CFTC has monitored market prices and issued reports that provide some context into volatile swings and investigate market manipulation.

- a. We have seen in the past that speculation has increased gas prices how would you plan to curb speculative energy trading that hurts consumers at the pump?

A: In 2020, the Commission established federal speculative position limits for certain contracts, including for NYMEX contracts for Light Sweet Crude Oil and New York Harbor RBOB Gasoline. If I am confirmed, Commission staff will continue to monitor the impact and effectiveness of the limits on the futures markets. In addition, the Commission will continue its work to detect, deter, and punish market manipulation that could impact prices paid by consumers.

- b. What is the Commission doing to ensure that there is reliable oversight of markets and what actions can Congress take to ensure the CFTC can more effectively provide critical market oversight?

A: Commission staff in the Division of Market Oversight works to ensure reliable oversight of markets. The Market Intelligence Branch is monitoring the derivatives markets daily and the Compliance Branch is regularly reviewing designated contract markets and swap execution facilities to ensure compliance with the core principles in the Commodity Exchange Act. In regard to actions that Congress can take to ensure effective market oversight, the agency needs full funding in order to most efficiently fulfill its responsibilities under the Act.

Senator Reverend Raphael Warnock

1. Congratulations on your nomination, Mr. Behnam. As the Subcommittee Chair for Commodities, Risk Management, and Trade, I look forward to working with you, if and when confirmed, on the many important issues within CFTC's jurisdiction.

On May 28, 2021, the Senate passed legislation that would ensure funding continuity for staffing and programmatic activities within the agency's Whistleblower Office and Office of Customer Education and Outreach. This legislation was ultimately signed into law by President Biden on July 6, 2021, ensuring CFTC could continue this critical work. I believe these efforts are vitally important, helping protect consumers against fraud and ensuring that the agency's resources are accessible to more consumers and market participants.

- a. If confirmed, will you commit to working with me and other members on this Committee to ensure that funding for these initiatives, both the Whistleblower Office and the Office of Consumer Education and Outreach, is readily available and sufficient to meet the changing demands of the agency?

A: Yes.

- b. Through the Office of Consumer Education and Outreach, how will you prioritize outreach and engagement to historically underserved communities and communities of color? Specially, how can CFTC improve its engagement with underserved communities, and in your opinion, why is this targeted outreach necessary?

A: Through the equity assessment required by Executive Order No. 13985, Advancing Racial Equity and Support for Underserved Communities, the agency has identified several strategies for outreach and engagement to historically underserved communities and communities of color, including: translation of consumer protection outreach materials into languages other than English, strengthening partnerships with stakeholder groups from historically underserved communities, use of social media, and collaborating with other federal financial agencies on consumer protection efforts, including in regards to virtual currencies and decentralized finance, where studies and polls have shown that investors of color as well as LGTBQ+ Americans disproportionately utilize virtual currencies.

Senator John Hoeven

1. Energy

In North Dakota produces more than 1 million barrels of crude oil and 1.4 billion cubic feet of natural gas every day. As one of the top-three oil producing states in the country, North Dakota plays a key role in maintaining our energy independence, and our diverse energy resources have been critical to maintaining baseload power to support reliability and affordability of the grid while reducing our dependence on less stable parts of the world.

I understand that you sponsored the CFTC's Climate-Related Market Risk Subcommittee, which released a report in September 2020 entitled "Managing Climate Risk in the U.S. Financial System." This report makes more than 50 recommendations to assist in mitigating risks posed by climate change to financial markets.

- If confirmed, how will you seek to ensure that derivatives and other risk management tools remain available for all market-worthy industries, including domestic energy producers, and does not imply a regulators-preference for certain underlying commodities over others?

A: If confirmed, I will continue working with our registrants to ensure that a full suite of risk management tools is available for all market-worthy industries, including domestic energy producers. The Commission has a long history of direct engagement with the U.S. energy industry, with a specific goal of assuring our rules and the markets are fair, equitable, functioning as intended, and providing the necessary risk management tools. If confirmed, I will personally continue this practice and ensure the relevant parts of the CFTC do so as well.

2. President's Budget Request/User-Fee's

In its budget request to Congress for fiscal year (FY) 2022, the CFTC included a proposal to Congress to consider legislation that would allow the agency to collect \$116 million in user fees.

I have concerns with this proposal, as the result would increase costs to end-users like our producers that use futures to hedge against volatile commodities markets. Further, it would limit the Senate Appropriations Committee's key role in providing oversight.

Congress has increased the appropriation for the CFTC from \$62.7 million to more than \$250 million since 2000, so I do not believe there is an unwillingness on the part of Congress to adequately fund the Commission.

- While I can understand your interest in ensuring the CFTC's role as a modern regulator of derivative markets, are you concerned that implementing end-user fees would financially harm our farmers, ranchers, and producers?

A: If Congress chooses to implement a user-fee model, I believe that it can be structured to not harm farmers, ranchers, and producers. Additionally, if Congress chooses to implement a user-fee, bringing the CFTC in line with all other financial and

banking regulators, I believe it could be fair and equitable, supporting market access, liquidity, efficiency, competitiveness, and integrity, without imposing a burden on any one segment of our market participants, including end-users.

3. Cryptocurrency

In recent years, we have seen proliferation of various types of cryptocurrencies and increasing adoption of their use. In March 2020, one estimate found that there were more than 5,100 different cryptocurrencies with a market-value of \$231 billion. There is currently ambiguity in the regulatory framework aimed at providing consumer protections in cryptocurrencies markets.

- What do you see as the role of the CFTC in the regulation of cryptocurrency markets?

A: The CFTC has responsibly and actively used our existing statutory authority to stop and deter fraud and manipulation in the growing digital assets market. If confirmed, I will continue this proactive approach to protect customers. I look forward to working with Congress to reexamine – and, if appropriate, expand – the CFTC’s authority to ensure both the benefits and promise of the emerging digital asset market, and that the underlying technology can be harnessed without undue harm to customers and growing financial market stability risks. More than 50% of the digital asset market is comprised of commodities, and I believe it is critically important for the CFTC to play a prominent role in any new regulatory structure that Congress considers, even if the agency’s responsibility is expanded beyond its traditional role as a derivatives regulator.

4. Aluminum Benchmark Pricing

I continue to hear concerns from end-users about the potential manipulation of aluminum benchmark pricing.

- What steps are being taken to assure end users that there are fair and efficient markets?

A: The CFTC has enforcement authority that reaches into cash markets, and the agency can bring enforcement actions, as appropriate, for manipulative activity, including false reporting, and fraud to help ensure the integrity of the price discovery process. The CFTC has a strong history of using this authority to bring enforcement actions against commercial market participants that have submitted false, misleading, or knowingly inaccurate information to Price Reporting Agencies.

- Would you be willing to issue a public report on the aluminum commodities market including a discussion of the cause of recent price fluctuations in both the futures and spot or physical markets, and discussion of CFTC enforcement actions within the aluminum marketplace?

A: CFTC staff regularly monitors the aluminum derivatives markets and regularly works to deter and detect manipulation. The CFTC could issue a public report discussing broad market trends and various demand, supply, and other fundamental factors affecting aluminum derivatives markets. Since aluminum is a global metal,

many of the movements, trades, and subsequent values are independent transactions outside the purview of U.S. derivatives exchanges and are not cleared by CFTC registrants. Any report could not contain data or information that would separately disclose the business transactions or market positions of any person and trade secrets or names of customers. *Cf.* Section 8(a) and 8(e) of the Commodity Exchange Act, 7 U.S.C. § 12(a), (e). Similarly, a public report would have the potential to prejudice any enforcement action that the CFTC might take, and, as such, the CFTC does not generally disclose investigatory activity.

5. Equal Access to Information

I believe market actors should have equal access to market information, particularly when that information is distributed by the exchanges themselves. Inequities in access to material non-public information could potentially give an unfair advantage to market actors, and ultimately distort the markets.

- What steps are being taken to ensure all end users, regardless of size or volume of trading, have equal access to material non-public information issued by exchanges?

A: Exchanges must comply with core principles under the Commodity Exchange Act and CFTC rules that govern, among other things, how the exchanges may make market information public—including core principles 7 and 8, and CFTC regulation 1.64. Other core principles, such as core principle 12, address exchange duties such as protecting market participants by promoting fair and equitable trading. Additionally, CFTC regulation 38.7 prohibits the use of data collected for regulatory purposes by the exchange without consent by the party providing the data. Using these authorities, the CFTC actively monitors its registrants, including exchanges, to ensure violations are quickly addressed and all market participants, including end users, have equal access to material non-public information.

6. Swap Regulation

The Dodd-Frank Act required the CFTC and SEC to create a new regulatory regime for the swaps market. While the CFTC is the primary regulator of swaps, the SEC has responsibility for security-based swaps.

- In areas of shared statutory responsibility between the CFTC and SEC, are there inconsistencies between the two agencies' swaps rulemakings that you believe could be improved? Would you support an effort by staff at both agencies to coordinate in reviewing Title VII rulemakings with an eye toward greater consistency in the treatment of swaps?

A: As the CFTC and SEC worked through implementing Title VII of the Dodd-Frank Act, the two Commissions identified areas of mutual interest where harmonization may be beneficial to the agencies and their respective registrants. Recently, the CFTC and SEC identified portfolio margining of uncleared swaps, uncleared security-based swaps, and other related positions as an area that potentially would be appropriate for harmonization, and on October 22, 2020, the agencies issued a joint request for comment

seeking public input on potential ways to harmonize their approaches. The agencies recognized that harmonization could result in efficiencies benefitting market participants, but noted that careful consideration must be given to concerns about customer protection, financial stability, and other regulatory matters to ensure that they remain appropriately addressed. Staff continues to collaborate on this matter. As well, our agencies have been harmonizing financial reporting for swap dealers and securities-based swap dealers. I support CFTC staff's ongoing commitment to working in collaboration with our counterparts at the SEC on matters of common interest under Title VII, and if confirmed, I will ensure continued coordination efforts with an eye toward greater consistency in the treatment of swaps under Title VII of the Dodd-Frank Act.

Senator Joni Ernst

1. I'm encouraged by your history and expertise working for the Senate Ag Committee. As Acting Chairman with the jurisdiction of the CFTC, I hope you will reaffirm your commitment to agriculture and the important role the CFTC plays in our ag markets. Over the last year and a half, we've seen how uncertainty in ag markets can lead to greater price volatility. For example, there is concern that speculation and rumors about market-impacting events like African Swine Fever or other foreign animal disease outbreaks can further fuel volatility.
 - a. How can you ensure that the ag futures markets are working for farmers and producers heading their risk such as those back in Iowa?

A: In 2020, the Commission established federal speculative position limits for certain contracts, including 16 agricultural contracts. If I am confirmed, Commission staff will continue to monitor the impact and effectiveness of the limits on the futures markets. One of the Commission's most important functions is ensuring price convergence so that farmers and producers can use the futures markets to hedge their risk. In addition, the Commission will continue to work to detect, deter, and punish market manipulation that could impact prices paid by consumers. If confirmed, I will leverage my experience and knowledge of production agriculture, including my expertise working for the Senate Agriculture Committee, to ensure all farmers and ranchers in Iowa have fair, cost-effective access to the futures markets.

2. Over the past year, we have seen wild swings in energy prices from oil to natural gas.
 - a. Can you explain what you and the CFTC are doing to ensure integrity in our markets?

A: In addition to limits for the 16 agricultural contracts mentioned above, the Commission established federal speculative position limits for certain energy contracts, including for NYMEX contracts for Light Sweet Crude Oil, New York Harbor RBOB Gasoline, and Henry Hub Natural Gas. If I am confirmed, Commission staff will continue to monitor the impact and effectiveness of the limits on the futures markets. In addition, the Commission will continue to work to detect, deter, and punish market manipulation that could impact prices paid by American consumers.

- b. Are there lessons learned from Winter Storm Uri that CFTC and the federal government should keep in mind to ensure energy prices remain affordable for consumers?

A: During and after Winter Storm Uri, CFTC staff had regular discussions with various futures market participants, monitoring customer and institutional positions, margins, and cashflows. The Commission's work to detect, deter, and punish market manipulation helps to ensure that energy prices remain free of manipulation, and remain affordable for consumers. Winter Storm Uri presented previously unimaginable circumstance and pressure on our energy grid, which had devastating consequences for many Americans. I believe it is important that the CFTC, federal government, and all

market participants begin a process to plan and prepare for these historically extreme scenarios as more plausible. This preparedness will help mitigate future impacts on American consumers.

3. The sports betting industry has grown significantly during the last three years and is now legal in 30 states, including Iowa, and the District of Columbia.

- a. Do you believe that the sports industry should have access to risk management tools like regulated sporting events futures contracts?

A: Commission Regulation 40.11(a) states that a registered entity “shall not list for trading or accept for clearing” any contract that involves, relates to, or references gaming. I welcome the opportunity to work with you to discuss the recent growth of the sports betting industry across the country, and its impact and implications for the derivatives markets.

4. I understand the CFTC will propose a revised clearing mandate for OTC swaps in relation to the cessation of LIBOR so that U.S. customers may continue to trade OTC swaps for risk hedging and clearing purposes. I am concerned that these U.S. customers, and the ultimate beneficiaries located in my State, are unable to clear financial products overseas, especially those denominated in non-USD currencies. The liquidity of these products may be higher in non-U.S. markets, but some foreign clearinghouses have faced a difficulty to register with the CFTC and clear for U.S. customers, even though they would be subject to comparable regulation and supervision. On the other hand, retail investors can access foreign future markets under the current regime. Last November, you publicly stated that you support exploring better accommodations for U.S. customers looking to access foreign jurisdictions in reflection of the evolution of the global swaps market.

- a. Will you commit to finalizing a rule that allows U.S. customer access to foreign swaps clearinghouses to accommodate their hedging risk and cross-border business?

A: I commit to continue exploring ways to expand access for U.S. customers to foreign jurisdictions for a more complete suite of risk management tools. Any solution must meet the CFTC’s core responsibilities of promoting safe, transparent and fair markets, while supporting global market access through responsible rule-makings that recognize deference to comparable regulation and supervision or further harmonize our rules with our international partners. I look forward to working with you on exploring these solutions.

Senator Tommy Tuberville

1. Your predecessor, the 14th Chairman of the CFTC Dr. Heath P. Tarbert, set the gold standard for leadership at the agency. Among his many management reforms, Dr. Tarbert instituted a policy for the Commission to stand and honor our nation by reciting the Pledge of Allegiance at the start of each CFTC meeting.

- a. If confirmed, will you commit to continuing this patriotic practice?

A: Yes.

2. How do you evaluate the risk posed to the U.S. economy if our nation were to rapidly transition away from fossil fuels like coal and natural gas?

A: If our nation were to rapidly transition away from fossil fuels without sufficient infrastructure and energy sources in place and ready to replace the current systems, there could be significant negative economic consequences. However, if we do not transition quickly enough, the consequences could be greater. If confirmed, I will work with all relevant industries to ensure derivatives markets provide cost-effective risk management products to support an orderly transition that accomplishes the larger goal with limited negative economic consequences for American consumers.

3. America needs to be at the forefront of the digital assets game. Digital asset firms must be brought into the regulatory fold but in a way that does not undercut innovation.

- a. How do you plan to engage with digital asset entrepreneurs, and can these companies co-exist within the existing regulatory framework?

A: LabCFTC is the CFTC's office of innovation. Among other things, it serves as a dedicated point of contact for innovators such as digital asset entrepreneurs to engage with the CFTC, learn about the CFTC's regulatory framework, and obtain feedback and information on the implementation of new ideas. As LabCFTC provides a channel to inform the Commission's understanding of emerging technologies, I intend to continue leveraging this high level of engagement towards ensuring that these companies are appropriately brought into the regulatory fold. Our aim is to ensure that these companies prioritize compliance and risk management so that we can protect market participants from abusive trade practices and fraud, deter market manipulation, avoid systemic risk, and ensure market integrity.

4. The CFTC and the Securities and Exchange Commission (SEC) run the risk of coming into conflict over cryptocurrency regulation.

- a. How will you work with the SEC and ensure that your agency's regulatory authority is not undermined?

A: The CFTC and SEC share a long history of collaboration and cooperation, built upon mutual respect and deference for our differing missions and jurisdiction. We have been working in tandem on cryptocurrency regulation, and will continue to do so directly and as part of larger interagency efforts such as the President's Working Group on Financial Markets. I look forward to working with you as each agency coordinates policy based on existing statutory authority, and considers new authority to address these emerging risks and opportunities.

5. What steps do we need to take to protect our derivatives markets from cyberattacks?

A: If confirmed, I will ensure the CFTC works closely with our colleagues across the federal government and private market participants to ensure all parties continue to operate from the same playbook and address issues, challenges, and risks of mutual concern as a more powerful collective group. While the CFTC has excellent and dedicated staff, our resources are limited, particularly in contrast to the constantly evolving and increasing level of sophistication of cyber-threats, the growth of the derivatives markets, and the expansion of the threat surface connected with digital innovation. Since becoming Acting Chair, I initiated the agency's first ever remote table-top exercise in response to the Solar Winds attack as a measure for preparedness in the case of a similar attack. If confirmed, I will continue to initiate table-top and similar scenario exercises internally and externally to ensure maximum preparedness both at the CFTC and among our market participants.

6. What do you think the CFTC's enforcement priorities should be over the next twelve months?

A: If confirmed, I will prioritize enforcement policy that invigorates a culture of compliance reinforced by an enforcement program that roots out fraud, manipulation, and market abuse, and sends a strong, clear message to bad actors, particularly at a time of rapidly advancing technology.

7. You sit on the Financial Stability Oversight Council (FSOC), which is making climate a major focus. Farmers in Alabama cannot afford to be hammered with additional emissions and climate regulations. Regulatory burdens the CFTC places on the derivatives industry will lead to higher fees and reduced access for our farmers. I am sure you have heard these concerns during your outreach meetings with agricultural groups across the country.

- a. Have you voiced the concerns of our nation's farmers in the FSOC meetings you have participated in thus far? Rural America is counting on you to speak up.

A: A key priority of mine since joining the Commission has been helping our farmers and ranchers. If confirmed, I look forward to visiting with farmers in Alabama. I am committed to working hand in hand with the agriculture community on market-driven solutions to climate change, and will continue my long-standing conversations with producers. I have raised concerns that some climate policy could have disproportionate

impacts on rural, low income and minority communities. Going forward, if confirmed, I commit to raising these concerns about disproportionate impact on rural America, and fighting for policy that is tailored to address them.

8. The Dodd-Frank Act envisioned a world of substituted compliance. If a foreign regulator is found competent of regulating entities, then we should defer to that regulator. It has come to my attention that the current CFTC regime for swaps customer clearing is not supporting this principle, which is causing an issue for U.S. customers as they cannot access the foreign swaps markets even though they must clear these in clearinghouses under the Dodd-Frank.
 - a. Will you commit to creating a fair access regime so that U.S. customers can hedge their risks around the globe and accommodate their cross-border business?

A: I commit to continue working with my colleagues on cross-border policies to find a solution that will meet the CFTC's core responsibilities of promoting safe, transparent and fair markets, while supporting global market access through responsible rule-makings that recognize deference to comparable regulation and supervision or further harmonize our rules with our international partners.

9. Ensuring fair and equal access to the derivatives markets is a central goal of the CFTC's mission as set forth by Congress. I have received reports that some derivatives exchanges provide detailed, non-public information in disclosure reports following transactions to large commodity trading firms while withholding this information from smaller commodity trading firms.
 - a. Are you aware of such a practice, and if so, does this give you cause for concern?

A: I am not aware of such a practice. If you are able and comfortable sharing the reports you received with me, I would like an opportunity for the CFTC to review them and see if we identify regulatory violations.

10. The CFTC and securities regulators at the federal and state level run the risk of coming into conflict over digital assets regulation. State securities regulators play an important role in the functioning of our nation's derivatives and securities markets. The Alabama Securities Commission has been a national leader in this regard.
 - a. If confirmed, how specifically will you collaborate and coordinate with the North American Securities Administrators Association (NASAA) and NASAA members such as the Alabama Securities Commission to ensure that market participants receive a clear message and set of expectations from the government?

A: I began my legal career as an Investigator with the Bureau of Securities within the New Jersey Office of the Attorney General. The Bureau of Securities is a NASAA member. I learned firsthand that investors benefit significantly when outreach comes directly from within their regions and communities. The CFTC, NASAA, and NASAA

members have a robust history of cooperative enforcement involving commodity fraud. In 2018, CFTC and NASAA signed a mutual cooperation agreement to establish a closer working relationship between CFTC and individual state securities agencies. I intend to continue that strong cooperative enforcement relationship with NASAA and NASAA members, including the Alabama Securities Commission, in addressing emerging issues such as those related to digital assets.

Senator Charles Grassley

1. Mr. Behnam, thank you for your prompt response to my inquiry on the CFTC Whistleblower Program with your response letter sent on October 19. In response to my question where I asked, "Do you agree whistleblower awards should never be reduced in size simply because they are large?" You responded, "I do not support efforts to arbitrarily reduce the size of the awards issued to whistleblowers because of a perception that the award is "Too large." Can you provide a more detailed explanation on why you believe that whistleblower awards should not be arbitrarily reduced?

A: Whistleblowers provide information that helps the agency to identify, investigate and prosecute potential violations of the Commodity Exchange Act, and in doing so provide an invaluable public benefit. But whistleblowers also face significant personal and professional risks that make coming forward very difficult. Arbitrary reduction of awards based on a perception that an award is too large could have a chilling effect on whistleblowers coming forward, particularly in matters that would have the largest potential awards, and this could have an impact on the Commission's ability to bring significant manipulation cases against bad actors.

2. I want to ask about the market surveillance mission of the CFTC. Futures contracts that require the delivery of a physical commodity are most susceptible to manipulation when the supply on such contracts is small relative to the size of positions held by traders as the contract approaches expiration. In cattle markets, we've seen rapid consolidation with over 80% of the market being controlled by four corporations.

In your time as Acting Commissioner, have you looked into potential manipulation in the cattle marketplace?

A: The Market Intelligence Branch of the Commission's Division of Market Oversight is regularly monitoring markets, including the cattle marketplace. In addition, the CFTC has dedicated staff in its market surveillance unit focused on our derivatives markets, including livestock futures, and market fundamentals to ensure that futures contracts offered by the exchanges remain an effective tool for hedging risk and to protect market users and the public from fraud, manipulation, and abusive practices.

If confirmed, can you commit to keeping strong measures in place to prevent market manipulation?

A: Yes. Detecting and preventing market manipulation is a core function of the Commission, and I take that responsibility very seriously. If confirmed, I commit to keeping strong measures in place to prevent market manipulation.