

Chairman David Scott Opening Statement at Hearing “State of the CFTC”

Washington, March 31, 2022

WASHINGTON - House Agriculture Chairman David Scott of Georgia delivered the following statement at today's hearing “*State of the CFTC*”

[As prepared for delivery]

Good morning and welcome to today's hearing as we get an important update on the state of the Commodity Futures Trading Commission from Chairman Rostin Behnam.

For those of you watching at home, I'd like to provide some background on the important work of the CFTC. The CFTC's mission 'is to promote the integrity, resilience, and vibrancy of the U.S. derivatives markets through sound regulation.'

Prior to the 1970s, USDA helped administer the Commodity Exchange Act, however, the Commodity Futures Trading Commission Act of 1974 established the CFTC as an independent agency outside of the Department of Agriculture with greater powers.

Chairman Behnam, I would like to extend a warm welcome to your first hearing with us in your tenure as Chairman.

As you know I take a close personal interest in this area. Before I became Chairman of the Agriculture Committee, I was subcommittee Chairman of the Commodity Exchanges, Energy, and Credit since it's inception. Our Committee weighed in mightily during the exit of Britain from the European Union to ensure that American markets were not harmed or put at a disadvantage during the implementation of EMIR 2.2. I stand ready to do so again if the need arises.

I would like to congratulate you on the emphasis you have been able to place on the risk that climate change has presented to our markets with recent establishment of the Climate Risk Unit.

CFTC was at the tip of the spear with the draft report issued the Climate-Related Market Risk Subcommittee of the Market Risk Advisory Committee, Managing Climate Risk in the U.S. Financial System. I share your concern about climate change and extreme weather and look forward to working together with you.

In a 2019 subcommittee hearing, I highlighted a letter you sent to the CFTC's Office of Minority and Women Inclusion detailing the diversity and representation profile of the senior and executive staff at the Commission.

I said it then and I will say it again: diversity is a strength. I am glad that you are now the Chairman of the CFTC and can guide this important agency with an eye toward making sure that your staff and the markets that they oversee are working for everyone.

In recent years we have seen an explosion of new markets and an ongoing shift in the role that digital assets and cryptocurrencies play in our financial institutions.

I look forward to hearing updates on CFTC's oversight in these areas, as well as areas that we on the Committee should be shedding more light on.