

OPENING STATEMENT: REPUBLICAN LEADER GLENN "GT" THOMPSON FULL COMMITTEE HEARING: "STATE OF THE CFTC"

Washington, March 31, 2022

Remarks as prepared for delivery:

Thank you, Mr. Chairman.

Chairman Behnam, welcome. It is a pleasure to have you before our Committee today to discuss the current state of the CFTC and your plans for the coming year.

I want to begin by congratulating you on your unanimous confirmation, which was a significant vote of confidence in you and for the Commission's work. You have important responsibilities before you, and we look forward to working with you and ensuring you have the tools to carry out the mandates we've vested with the Commission.

I'd also like to congratulate the four nominees to the Commission—Ms. Christy Romero, Ms. Kristin Johnson, Ms. Summer Mersinger, and Ms. Caroline Pham—who were officially confirmed earlier this week and will be joining you soon. The Commission works best when there is a full slate of commissioners, and I am looking forward to that in the coming weeks.

Finally, I want to offer a heartfelt thank you to Commissioner Dawn Stump as she departs the Commission. Throughout her time in this role, I have always appreciated her engagement and thoughtful approach to the issues. Our nation is better for her service.

Chairman Behnam, you could not be appearing before the Committee at a more consequential time, there is much to discuss. Two issues stand out for me.

First, the war in Ukraine has brought misery to the Ukrainian people. But its effects are not isolated to Central Europe. Putin's reckless crimes have roiled commodity markets, impacting agricultural, energy, metal, and credit markets throughout the world. The efficient and effective operation of our

commodity derivatives markets under the watchful eye of CFTC plays a pivotal role helping end-users navigate these turbulent times.

Second, I am heartened by your calls to expand the CFTC's oversight of the digital commodity markets. As you know, I've been hard at work on the Digital Commodity Exchange Act, legislation which provides the CFTC with jurisdiction over the digital commodity spot markets. As we consider further regulation to protect customers engaged with crypto trading venues, it is essential we do so in a manner which promotes innovation. The CFTC is well poised to play a leading role in this effort.

I also want to touch briefly on the Commission's recent request for comment on FTX's proposal to amend its derivatives clearing organization registration order. Thank you for putting this out for public comment.

The request presents a number of novel questions for the Commissioners to consider. It holds the promise of lower costs market participants and reducing in risk through the clearing system. But it also raises significant issues regarding market structure and risk mitigation that should be explored frankly and publicly. I commend you for seeking the input of market professionals and the public as part of your consideration of the request.

One of key characteristics of the Commodity Exchange Act (CEA) is the flexibility it provides under its core principles for businesses to experiment and innovate new ways to meet longstanding regulatory goals. It is through the consistent application of these core principles that our markets and financial institutions have become leaders in innovation across the globe.

This proposal, like all proposals that come before the Commission, should be measured against the core principles.

I look forward to a meaningful, substantive, and—*importantly*—public debate about both safety and innovation in our markets, so American derivatives markets will remain the most liquid, most efficient, and most productive markets in the world.

Chairman Behnam, I look forward to your comments today, thank you for joining us.

With that, I yield back.