

Confirmation Hearing
Senate Committee on Agriculture, Nutrition, and Forestry
Statement of Chris Brummer
September 15, 2016

Thank you Chairman Roberts, Ranking Member Stabenow and Members of the Committee. I am honored to be here before you today. I would like to thank President Obama for nominating me, and my family, especially my wife, for supporting me. The CFTC has a significant impact on the daily lives of Americans and it is critical that CFTC-regulated markets work well. I hope to contribute to this work.

I come from a family of teachers and farmers. My grandparents had a small farm in the Shenandoah Valley of western Virginia. Some of my earliest memories are of summers on that farm, riding in the back of my late grandfather's pickup truck as we took produce to the local market. My mother grew up there. She would become an elementary school teacher and move with my father to northwest Arkansas where I was raised. I grew up in a rural area outside of Fayetteville where my neighbors raised cattle and horses, and poultry producers were just a ten minute walk down the road.

This upbringing taught me to respect different points of view, and stressed basic values that have long sustained the country. Work hard. Help your neighbor. Think before you act. Do good. These values have paid dividends throughout my life. I worked hard in school, learned a couple of foreign languages, and ended up a lawyer, which opened doors for me to educational and professional experiences around the world. I invested significant time studying markets and financial regulation as a law professor, and I opted, where I could, to do good—from advising regulators in the US, Europe and Asia on how to ensure safe and efficient cross-border market supervision to working on critical enforcement efforts intended to keep America's financial markets safe and secure.

The 2008 financial crisis had devastating consequences for the economy and, like many Americans, it impacted those I cared about in many ways. It would also underscore for me important lessons about interdependence in the global economy.

For much of 2008, I was a fellow at the SEC's Office of International Affairs, on loan from Vanderbilt law school, where I was teaching. There, I helped push forward America's regulatory interests and priorities in the world. I experienced the degree to which effective policy responses at home depended on coordination with other countries. Many of the tools used to buttress failing markets, introduce greater transparency, or police markets depended on communication, skill and coordination with global actors.

Much of my work since 2008 has focused on understanding our ongoing efforts at home and abroad to improve cross border oversight of derivatives and securities markets. I am a strong believer in promoting safe and vibrant financial markets through sensible and strong regulation at home and close coordination abroad. International coordination

helps to both level the playing field for U.S. firms competing abroad and prevent arbitrage that can undermine domestic policy priorities and market practices.

I have seen in my experience assisting law enforcement that threats to market integrity are very real and must be addressed swiftly. Farmers, ranchers and commercial end users must be able to trust that markets both function properly and allow market participants to hedge their commercial risks effectively. These end users also have to trust that the markets in which they participate are healthy, liquid, and free of fraud and manipulation. To accomplish this, government oversight should be prudent and efficient, and rules should be carefully and faithfully enforced.

For our derivatives markets to truly thrive, regulators need to stay ahead of the technological curve. The CFTC should not be afraid to embrace new technologies and market strategies that promote transparency, liquidity and operational efficiency. But, where new technologies do pose risks, such as to cybersecurity or financial stability, both market participants and taxpayers must be protected.

Finally, I believe the CFTC's mission going forward is as much about dutifully concluding the agency's Dodd Frank Act rule writing as it is about looking forward to new threats and opportunities facing the derivatives markets. I recognize that to do this job well requires listening and keeping an open door to the people who rely on these markets, and I promise to do just that.

Again, I am honored to be here today and look forward to your questions.