The Commodity Futures Trading Commission's ('CFTC') decision to form the Climate-Related Market Risk Subcommittee ('Subcommittee') reflects the CFTC's thoughtful approach in overseeing financial markets.

While a capital markets participant and member of The Federal Reserve Board's Insurance Policy Advisory Committee, my comments are my own and do not reflect the views of any other organization. With that said, there are a few areas that would benefit from the Subcommittee's perspective:

Financial Stability: In the CFTC's capacity as a member of the Financial Stability Oversight Council ('FSOC'), the Subcommittee should consider the potential impact of climate risk on financial stability. As context, FSOC's most recent Annual Report was silent on climate risk. As we move through time, the Subcommittee can add an additional level of surveillance to monitor whether climate risk merits FSOC's attention.

International Leadership: The CFTC has a long-standing reputation of international leadership on a wide array of financial markets topics. It is noteworthy that the United States is underrepresented on The Central Banks and Supervisors Network for Greening the Financial System ('NGFS'). The Subcommittee could evaluate the merits, and potential drawbacks, of joining this global forum.

Stress Testing: Aligned with the above comment, certain international financial regulators believe climate risks should be incorporated into stress testing frameworks. Studying the appropriateness of such an approach for the United States' financial markets would be valuable.

Digital Assets: Digital assets are increasingly relevant to the capital markets. While much foundational work is underway, the Subcommittee brings an important voice to the discussion of Bitcoin mining and the associated energy consumption. It has been documented that Bitcoin mining requires energy usage on par with certain sovereign nations. With Bitcoin's growth, a conversation around the asset class' environmental impact is prudent.

Price Stability: Climate change has the potential to alter the supply dynamics of certain physical commodities. Supply shocks often spur price volatility which drives hedging actions. The Subcommittee's varied expertise would be additive to how policy responses can mitigate this potential risk.

Financial Strength & Collateral Values: In a world where material climate change occurs, some industries will fare better than others. While this will have broad implications, it will impact the financial strength of certain end-users and certain hedge providers. Climate change's potential impact on counterparty risk and collateral values are appropriate areas of investigation for the Subcommittee.

Disclosure: Over the past few years the Sustainability Accounting Standards Board and the Task Force on Climate-Related Financial Disclosures have garnered increasing focus from the financial markets. Currently there is a growing debate about the relevance of these tools in a post-COVID environment. The Subcommittee's framing of these important disclosure considerations would be welcome.

ESG Factors: Market participants are spending more time evaluating Environmental, Social and Governance ('ESG') factors. The Subcommittee's opinion on ESG factors and risk management practices would be additive.

In closing, I thank CFTC Chairman Herbert, CFTC Commissioner Behnam and Subcommittee Chairman Litterman for their service. I am confident that the Subcommittee will follow the CFTC's lead in taking a holistic, forward-looking approach to prudent financial markets regulation.

With respect,

Gray Schweitzer