From: Matanya Horowitz
Organization(s): AMP Robotics

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Comment Text:

To Whom It May Concern at the CFTC:

I am Matanya Horowitz, founder and CEO of AMP Robotics, a company dedicated to transforming the economics of recycling. We use artificial intelligence and automation to identify and sort recyclable material at scale to help ensure that it is recycled and its value fully captured, instead of being lost to incineration or landfill.

As the CEO of AMP Robotics, I have seen first-hand the effects of federal policy on my business. The EPA has its own National Recycling Strategy that influences corporate demand for recycling, and thus indirectly our business, as do various Congressional bills to support recycling infrastructure, federal regulations that encourage the use of recyclable materials and more. There are a number of state initiatives ongoing as well. Naturally, the probability that these bills or regulations pass is directly downstream of which legislators are elected and party control of Congress. To hedge this risk, I would be able to better plan for the business if I were able to hedge for the possibility of positive or negative legislation related to promoting recycling infrastructure. For instance, a significant piece of recycling legislation and a more aggressive National Recycling Strategy may allow AMP to expand in the future. But if such legislation fails to pass, a hedged contract may allow AMP to adapt to a less favorable policy environment. This is only one example among many of how congressional directional can impact our business. At a higher level, impact on the environment affects all businesses and families in America, and changes in Congressional control substantially impact the probability of meaningful federal regulatory or legislative action being taken.

Notably, individual event contracts to hedge individual policy changes are not necessarily a viable alternative to a market on Congressional control. Many of these policy changes are relatively niche–while they affect a vast number of people, they are unlikely to attract sufficient volume to be able to provide enough liquidity for those most affected to hedge. Moreover, a specific policy event contract requires knowing precise details in advance, which may not be true several years out. But most importantly, what affects our business is less any one individual policy, but the sum of the dozens of different policies (or, more succinctly, the totality of the policy agenda) that the respective parties enact. We're thus supportive of a contract for "the totality of the policy agenda" and a contract on Congressional control. We believe this would be a good signal for how legislation will affect our business.

Risks are born in large measures and small measures. We do not see any reason to consider smaller risks as less important than larger risks. It is particularly encouraging to have a product that is tailored explicitly for small and medium-sized businesses. The low position limits of $25,000 are perfect to allow for even smaller businesses to hedge. While there may be some businesses with even larger hedging needs, this provides a meaningful tool for us to stabilize and protect our business, and we believe a useful starting point for a new business tool.

Congressional control is an important factor in determining the profitability of my business and the businesses of millions of others. While many participants may join this market because they love politics or love forecasting (and thereby add liquidity for those of us who wish to hedge), they are far from the only people, and we don't believe this should be an impediment to us accessing financial markets to hedge our risks.

Thank you for providing the opportunity to comment.

Matanya Horowitz