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# United States Senate

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April 23, 2024

The Honorable Rostin Behnam  
Chairman  
U.S. Commodity Futures Trading Commission  
1155 21st Street, NW  
Washington, DC 20581

Chairman Behnam,

I write to urge the Commodity Futures Trading Commission (CFTC) to proceed deliberately and transparently in considering any proposed rule regarding the listing of event contracts by Designated Contract Markets (DCMs).

The Commission has a long history of promoting U.S. leadership on the global stage and encouraging financial market innovations. Futures markets originally offered products focused on agricultural markets necessary for farmers and ranchers to hedge risk. The forward-looking CFTC has, over time, approved products that were not originally contemplated by lawmakers who created the Commission and its authorities but that fit within the CFTC's congressional mandate. Products based on volatility, interest rates, foreign currency, weather, water, and digital assets have been allowed by the Commission and have demonstrated market value. Excluding broad categories of products goes against the CFTC's mandate to foster innovation.

I am concerned by reports that a draft event contracts rule being evaluated by the Commission could limit the ability of main street investors to hedge risk based on events. Moving forward with a rule that limits event contracts would stifle innovation and run contrary to the spirit of the Commodity Exchange Act. Other jurisdictions have approved event contracts for investors to utilize in hedging risk. Blocking the development of these products on our shores will place U.S. markets at a competitive disadvantage and drive innovative companies overseas.

Furthermore, I have concerns that the CFTC may attempt to advance an event contracts rule through a closed-door process without a public meeting. The CFTC is better than that. A proposal that would ban products with clear economic value to main street Americans should not be advanced without a public vote by the Commission.

I appreciate your commitment to transparency to date and ask that you continue in that vein as the Commission evaluates an event contracts rulemaking.

Sincerely,



Tommy Tuberville  
United States Senator