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NOMINATIONS HEARING: JILL E. SOMMERS, OF KANSAS, AND BARTHOLOMEW H. CHILTON OF DELAWARE TO BE COMMISSIONERS OF THE COMMODITY FUTURES TRADING COMMISSION

HEARING

BEFORE THE

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY UNITED STATES SENATE

ONE HUNDRED TENTH CONGRESS

FIRST SESSION

JUNE 27, 2007

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NOMINATIONS HEARING: JILL E. SOMMERS, OF KANSAS, AND BARTHOLOMEW H. CHILTON OF DELAWARE TO BE COMMISSIONERS OF THE COMMODITY FUTURES TRADING COMMISSION

Wednesday June 27, 2007

UNITED STATES SENATE,
COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY,
Washington, DC

The Committee met, pursuant to notice, at 2:06 p.m., in Room SR–328a, Russell Senate Office Building, Hon. Tom Harkin, Chairman of the Committee, presiding.

Present or submitting a statement: Senators Harkin, Chambliss, Lugar, Roberts, Coleman, and Thune.

STATEMENT OF HON. TOM HARKIN, A U.S. SENATOR FROM IOWA, CHAIRMAN, COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Chairman HARKIN. The Senate Agriculture Committee will come to order.

This afternoon I am pleased to welcome to our Committee this afternoon two nominees to the Commodity Futures Trading Commission. Jill Sommers is nominated for the remainder of the term expiring April 13th, 2009, and I will defer to Senator Roberts for the purpose of an introduction.

Bart Chilton is nominated for the remainder of the term expiring April 13th, 2008. Both of these nominees have had extensive experience here on the hill. As I said, I will defer to Senator Roberts on Ms. Sommers. I will say Mr. Chilton has most recently worked for Senator Tom Daschle, who was a very valuable member of this Committee. Mr. Chilton also served in important positions at the Department of Agriculture, the Farm Credit Administration, and the National Farmers Union.

The Commodity Futures Trading Commission has critical regulatory responsibility to protect and ensure the integrity and fairness and transparency of our Nation's futures options and derivatives markets. These markets are highly competitive, they are innovative and rapidly changing. They are vital to the functioning of our economy, yet it is likewise vital that they are properly regulated.

The CFTC has a critical responsibility to protect customers, market integrity and the public while also promoting efficient and internationally competitive futures and derivatives markets. With good reason there has been a great deal of interest in restoring fuller CFTC authority to monitor and take appropriate regulatory action in energy derivatives markets, as well as in urging CFTC to utilize its existing authority to the maximum extent.

I do give the CFTC credit for filing energy-related complaints against more than 50 firms and collecting some $300 million in penalties in recent years. However, it is essential that the CFTC erase any doubts about its aggressiveness in pursuing energy-related violations and that Congress restore to CFTC the authority that it needs over energy derivatives markets.

So I look forward to hearing the nominee's statements and answers to our questions.

I will now turn to Senator Chambliss for an opening statement.

STATEMENT OF HON. SAXBY CHAMBLISS, A U.S. SENATOR FROM GEORGIA

Senator CHAMBLISS. Thank you very much, Mr. Chairman, and I applaud you for holding this very important confirmation hearing today.

Currently the Commodity Futures Trading Commission is severely hampered by vacancies on the Commission. This Committee is tasked with filling these positions to ensure that the Commission is able to function appropriately.

Just last week Reuben Jeffrey was confirmed to be Under Secretary of state. His departure from the CFTC, where he was serving as Chairman, leaves the Commission to operate with only two sitting Commissioners.

Let me say, Mr. Chairman, I have only been in the Senate for four years, the House for eight years before that. But Reuben Jeffrey really did an outstanding job. He committed himself to really learning the industry and making sure that from a regulatory standpoint the futures trading industry did what it was supposed to do. He will be missed, but we certainly look forward to filling that vacancy, as well as the other one.

While both Commissioner Walt Lukken and Mike Dunn are quite capable, the Commission is designed to operate as a five person. And moving forward the pending nominations before the Committee today is imperative to ensure functionality of the CFTC.

The two nominees before us today are certain no strangers to the United States Senate. Jill Sommers spent over four of her career years serving Senate Majority Leader Bob Dole in various capacities and Bart Chilton was a senior advisor to Senate Majority Leader Tom Daschle. Both these nominees bring varied skills to the job that will complement those of Commissioners Lukken and Dunn.

I have known Jill for many years and I believe that her experience both in Government and within the industry will be very valuable to the CFTC operation.

Mr. Chilton spent much of his career working on behalf of our farmers and ranchers and I believe this experience will enable him

to bring an important producer perspective to the regulation of agriculture commodities traded on futures markets.

The Commission will be well served if both of these nominees are confirmed by the Senate.

Again, Mr. Chairman, thank you for holding this hearing. I am hopeful these nominations will move through the Committee and the full Senate in an expeditious manner.

Chairman HARKIN. Thank you very much, Senator Chambliss.

Now I have two housekeeping things and then I will yield to Senator Roberts for introduction. That is why did I did not go on about you, Ms. Sommers, because I was going to yield to him on that.

But two housekeeping things that we do for all nominees, would both of you please raise your right hand.

Do you swear that the testimony you are about to present is the truth, the whole truth, and nothing but the truth?

Ms. SOMMERS. I do.

Mr. CHILTON. I do.

Chairman HARKIN. Secondly, do you agree that if confirmed, you will appear before any duly constituted committee of Congress, if asked?

Ms. SOMMERS. Yes, sir.

Mr. CHILTON. Yes.

Chairman HARKIN. Thank you very much.

Now I would yield to the distinguished Senator from Kansas for the purposes of an introduction.

Senator ROBERTS. Mr. Chairman, thank you very much. It is an honor and a privilege to introduce to you someone who has already been introduced by my good friend, Saxby Chambliss. I want to associate myself with his remarks. With only two people on the CFTC and a five-member CFTC, these appointments are very, very crucial and I hope we can expedite this just as soon as possible.

It is a privilege to introduce and convey my strongest possible support for the nomination of Jill Sommers to the CFTC. As has been said, she is a native Kansan. She is a graduate of a school that I think is not too far from Manhattan, Kansas and Kansas State University. I think they call it the University of Kansas, a very proud graduate, I might add.

I understand her parents, John and Joyce, are here from Fort Scott, Kansas. If they could raise their hand, that would be appreciated.

Fort Scott is a great, great community, Mr. Chairman, has a very rich history in Kansas. We call it a real gem in Kansas. So she has had a proud heritage and growing up in small-town America but a great small town.

She is very well qualified for this position, having served on the staff of Senator Bob Dole, as anybody in public service in Kansas has served on the staff of Bob Dole from one time or another, whether or not we were on the staff or not. As a matter of fact, I am still a staff member for Bob Dole, but then that is another whole story.

At any rate, she has worked in several positions in the futures industry so she has the background and the understanding necessary to address the very difficult issues she will face as a commissioner.

More importantly, being from Kansas, she truly understands agriculture and the significant role that the CFTC plays in regulating our agriculture markets. I am convinced she is more than up to the task. I am very proud to support her nomination as a fellow Kansan.

And I thank you, Mr. Chairman, for the privilege.

Chairman HARKIN. Thank you very much, Senator Roberts.

Now we will turn first to Ms. Sommers and then second to Mr. Chilton. Your statements will be made a part of the record in their entirety and if you could summarize those in several minutes, I would appreciate it very much.

Ms. Sommers, welcome, and welcome your family members here and your husband, also. Mike. You did not introduce him. I will introduce him. Her husband, Mike, is here too.

Ms. Sommers, please go ahead.

STATEMENT OF JILL E. SOMMERS, OF KANSAS, TO BE A COMMISSIONER OF THE COMMODITY FUTURES TRADING COMMISSION

Ms. SOMMERS. Thank you, Chairman Harkin. And certainly thank you to Senator Chambliss and Senator Roberts for those kind words, and members of the Agriculture Committee.

I am honored to sit before you today as a nominee to be a Commissioner at the Commodity Futures Trading Commission. It is a true honor and privilege for me to be nominated by the President for this distinguished position.

I would like to thank my husband, Mike, who is here, and my parents, who are here with me today. We have three small children who we decided not to bring with us this morning to a Senate hearing.

I started working on Capitol Hill more than 15 years ago for Senator Bob Dole as an intern from the University of Kansas. And I worked for him in various capacities for almost five years. From Senator Dole I learned the importance of a fair and reasonable decision-making process.

I grew up in a small town in Southeast Kansas. My parents still reside there. And they own hardware store in our farming community, as they have for over 38 years. My parents taught me the value of hard work and integrity. If confirmed as a Commissioner, I will bring all of the values of my Kansas roots with me to the Commission.

During my career, I have also had the opportunity to work in the futures industry. It is a fascinating world which is constantly changing and innovating. For example, when I started working for the Chicago Mercantile Exchange in 1998, its electronic platform was used for overnight or after hours trading and the electronic volume was less than 15 percent of their total volume. Today millions of contracts a day are traded electronically on the CME with a system that trades virtually 24 hours.

Fortunately, when Congress was tasked with reauthorizing the CFTC in 2000, they saw an industry that was quickly evolving and they created a framework to give the CFTC the appropriate regulatory tools to keep pace with the development in these markets. The Commodity Futures Modernization Act, and my work on it,

fundamentally shaped my view of how the Government can and should interact with these markets. The CFMA unleashed the power of the free market on the futures industry without sacrificing a rigorous enforcement structure at the CFTC.

The CFTC does an outstanding job of encouraging market growth and innovation while ensuring the integrity of the marketplace and protecting market users. The agency has taken their mission very seriously and they pursue aggressive action against wrongdoers in the markets.

My regulatory philosophy rests on some of the basic principles Congress stressed during the CFMA, fair and flexible supervision while providing strong and independent oversight.

Congress got it right in CFMA. It did it through encouraging competitiveness and ensuring legal certainty. Congress, in its wisdom, understood the truth that American entrepreneurs and traders are the best in the world if given the opportunity to succeed.

Whether you are a farmer trading wheat in Kansas City or a trader in Chicago buying Treasury bonds, the CFTC regulates each market with the proper level of oversight. Every one of these contracts traded on each futures and options exchange in the United States plays an important role and every market participant deserves to have confidence in the integrity and efficiency of those markets.

I understand that there are some challenging issues facing the Commission, but as a mother of three small children I know how to handle a challenge. I look forward to the opportunity to work on the numerous significant matters on the Commission agenda today and in the future.

If confirmed by this Committee and the United States Senate, I will work hard to ensure that the CFTC continues its role of encouraging efficient, transparent and financially sound futures and options markets while protecting the public from fraud, manipulation, and abusive practices.

Thank you for the opportunity to appear before you today. I look forward to answering any questions you may have.

[The prepared statement of Ms. Sommers can be found on page 22 in the appendix.]

Chairman HARKIN. Thank you very much, Ms. Sommers.

Now we will turn to Mr. Chilton. I also know that Mr. Chilton's wife, Sherry, is here with us. We welcome you to the hearing.

Again, Mr. Chilton is no stranger to many of us here. He has a long history of working both in the House and the Senate and on all matters of agriculture, worked for Dan Glickman when he was down there as Secretary of Agriculture, he had a lot of dealings with him at that time. And then came up here and was staff member to Senator Daschle during the writing of the 2002 Farm Bill and was very instrumental in that. And since then, he has worked for the Farm Credit Administration and also the National Farmers Union.

So a long history of being involved in all matters agriculture and those attendant thereto. So we welcome you, Mr. Chilton. Your statement will be made a part of the record in its entirety and if you could summarize it in several minutes, I would appreciate that.

STATEMENT OF BARTHOLOMEW H. CHILTON, OF DELAWARE, TO BE A COMMISSIONER OF THE COMMODITY FUTURES TRADING COMMISSION

Mr. CHILTON. Thank you, Mr. Chairman.

And I do have a couple of letters, one from Senator Daschle and one from Secretary Glickman, that I would like to be part of the record if that is appropriate.

Chairman HARKIN. Yes, I just have the one from Senator Daschle and one from former Secretary Glickman. They will be made a part of the record.

Mr. CHILTON. Thank you, sir. And thank you, Senator Chambliss. And thank you, members of the committee, for taking the time to be here. I know your schedules are busy.

I also want to thank specifically Senator Harkin for his many personal and professional kindnesses over the years. I have learned a lot from him and will always remember working with him on the 2002 Farm Bill. I very much appreciate it, sir.

I also want to thank Senator Reid for recommending me to the President. And I want to thank President Bush for nominating me for this important position.

Last, I would like to thank my friend, Tom Buis, for being here. And of course, my best friend in life, my wife Sherry, who you recognized, and also is a former Senate staffer. She worked here for 10 years for Senator Simon and for Senator Kohl.

I came to Capitol Hill in 1985, and a couple of years after that I was asked to work with Congresswoman Jill Long, who Senator Lugar, of course, knows and Senator Harkin and others. She was a freshman and she asked me to do agriculture work. So I said yes. And within a couple of weeks we had passed an amendment to require that exchanges get CFTC approval before they took certain emergency actions. It was a very controversial amendment and the exchanges quickly dispatched dark-suited lobbyists with cell phones the size of shoe boxes to defeat the Long amendment. And they did a really good job.

By the time we got to the full Committee and the opening statements were done, it was apparent that the Long amendment was cooked. So all day I went to work with the staff of then–Congressman Roberts and then–Congressman Glickman and tried to resolve it.

Chairman de la Garza would lean down and look at the intern desk, which is where they put—Jill Long an additional member of the Committee. He would look over the dais and say, "Is the Long amendment ready yet?" And of course, it never was. Not until the eleventh hour, when we finally got the compromise passed.

The Chairman was just about to gavel the markup to a close. And Jill who, as you all know, is very gracious, did sort of a Columbo moment and said, "One more thing, sir. I would like to thank the members for their patience and let them know that this was my first amendment passed in the Agriculture Committee."

Chairman de la Garza said, "And let it be the last. This meeting is adjourned."

[Laughter.]

Mr. CHILTON. Well, I have learned a lot since that time, both as Chairman Harkin said, 10 years in the House, six years in the

Clinton Administration, the Executive Branch, four years on the Senate side and then a year at a financial regulator. I hope to bring those sorts of experiences about how to pass laws and not pass laws, how to promulgate regulations, how to implement them, how to enforce them to the CFTC, should I be confirmed.

But a lot has changed in the futures industry since that time, too. We have moved from the pit trading to electronic trading. In fact, about 50 percent of trades are now done electronically on many of the exchanges. We have seen numerous innovations in different contracts. They have gone from about 200 different contracts to well over 1,500 contracts. And amazingly, in a single day, a single day, over $4 trillion changes hands in the U.S. futures industry. Just amazing.

Who would have thought 20 years ago that we would be trading, Tom, carbon sequestration credits or weather futures based upon heating and cooling days. It is just amazing.

That said, agriculture remains a really important part of the futures industry. It is less than it was at the beginning, of course, and less that was in the 1970s. It is about 7 percent of the total portfolio right now. But it still remains very important for not only risk management but for price discovery, for farmers, ranchers, merchandisers, suppliers, everybody in the agriculture chain.

With regard to global markets, we have seen global futures exchanges pop up all across the world and the volume increase. And many of these exchanges we have U.S. investors involved, and they have different regulatory regimes at all of these exchanges. So to the extent that it is possible, we need to try and harmonize these various regulatory regimes to ensure that U.S. investors' funds are protected.

So in summary, Mr. Chairman, I would like to use my experience I have gained at the CFTC to try and encourage and promote open competitive, effective and efficient markets. And as Ms. Sommers said, to do that in a way that they are resistant as possible to fraud, abuse and manipulation.

My final caveat, sir, is as a former Senate staffer, I will say that I will only do that, I will only do that given the specific authority of this Committee and the entire Congress.

I would be pleased to try to answer any questions.

[The prepared statement of Mr. Chilton can be found on page 20 in the appendix.]

Chairman HARKIN. Thank you both very much for excellent statements. And we will enter a round of questions.

First, for both of our nominees, in 2000, the Commodity Futures Modernization Act inserted into the Commodity Exchange Act new provisions which exempted from CFTC oversight agreements, contracts, and transactions in energy and metals traded on an electronic exchange between large traders. This exemption is often referred to as the "Enron loophole" since it was inserted into the law at the request of the Enron Corporation and others.

Would you support legislation to eliminate the Enron loophole and make electronic exchanges that trade energy commodities subject to the same statutory requirements as regulated exchanges that trade energy commodities in order to prevent price manipulation and excessive speculation?

Mr. Chilton?

Mr. CHILTON. Thanks for the question, Senator.

There was this report earlier, that Senator Coleman's Committee did, and it's very troubling. I have not read the report but I have read the news reports of it. And it is essentially leading down that road. I think it is definitely something we need to look at carefully.

Currently, the CFTC's jurisdiction only deals with these regulated markets. And the only way that they can get into these other markets, these over-the-counter markets, is if somebody is trading on one of the regulated exchanges they can ask for all of their holdings, their cash, and any other positions they might have over-the-counter.

So I think the first thing you would want to do is have more transparency and learn what exactly the extent of that is. I have learned over the years that you have got to be careful about a quick legislative fix. I would be concerned that if we do something that is too prescriptive, we might ultimately drive people away from our markets, drive them overseas.

That said, this report is very troubling, or at least the news accounts of it are, and I think we need more information to see if that is something that we should move forward on.

Again, this is totally in the purview of Congress. The CFTC does not currently have that authority, as you correctly stated. So as a regulator, should I be confirmed, I will do whatever Congress tells me to do.

Chairman HARKIN. Ms. Sommers, same question.

Ms. SOMMERS. Thank you, Senator Harkin.

I guess, first of all, I would start out by saying that I think the Enron situation was a result of bad business practices that would not be condoned or promoted by a U.S. regulatory agency, and certainly there is no excuse for what happened there.

I also would join Mr. Chilton in saying that if Congress deems it necessary for the CFTC to have the authority to regulate these markets, as a Commissioner at the Agency, I would be a rigorous enforcer of those regulations. I think that we need to be careful and have a fair and balanced approach when you are regulating these markets.

But if it comes to protecting the users in markets from fraud and abuse, I think that is absolute something that the Commission needs to do.

Chairman HARKIN. Let me follow that up then with both of you. Ms. Sommers, since NYMEX is regulated by ICE is none, and since trading on one affects the other, what kind of sense is there that we would regulate one and not the other? Why would we regulate one and not the other, is my question? Do you have any basis of support from a regulatory standpoint of why it would be advisable to continue to regulate one but not the other?

Do I need to rephrase the question?

Ms. SOMMERS. No, I understand your question.

I guess I would say that those exchanges, the ICE futures exchange, it is my understanding, is a regulated entity by the FSA in London. The products that they offer, which are over-the-counter derivatives, are of course not regulated because, as you put it, it

was in the Commodity Futures Modernization Act that those products would not be regulated.

Chairman HARKIN. I am just saying from a regulatory standpoint is there any reason why one should be under CFTC regulation and the other not, is what I am trying to—is there any reason regulatory-wise why that should be?

Ms. SOMMERS. I think they are different products. The derivatives contracts could be different than what is traded on a standardized contract on a regulated futures exchange.

Chairman HARKIN. Both of them trade energy commodities.

Ms. SOMMERS. Yes, sir.

Chairman HARKIN. But what is related by CFTC and one is not. Mr. Chilton, do you see any regulatory reason why there should be one regulated and one not?

Mr. CHILTON. it seems odd to me, sir. But again, I think if you did it, you would want to be prudent in how you would do something like that. In Congress' wisdom they excluded these things. And so you might want to look at the history as to why that was done.

But I think it is a good question and it is, like I say, before you just say let's do it and make a legislative fix and let's just put it in an extension of CFMA. I think you want to be careful about how you do that. You certainly do not want to drive people away from—I mean, the commodities industry is important to our economy and we do not want to scare people off and have them go overseas.

But by the same token, I think your question is a really good one and I cannot give you a good reason regulatorily why it could not be implemented, certainly.

I would put one caveat in there, sir, the CFTC has lost about 60 employees since 1976. The SEC has about 3,600 folks. So if you are going to do any regulatory change, I mean they are already a strapped agency. And I have not been down there long enough to be a shill for them. But I have been there long enough to understand these sorts of numbers, losing 60 people since 1976. They have only 536 folks down there. So if you ever expand their authorities in any regard, it seems to me you are going to have to work with the appropriators and make sure the resources are there, also.

Chairman HARKIN. Thank you. My time has run out. I recognize Senator Chambliss.

Senator CHAMBLISS. Let me follow on that a little bit, Mr. Chilton. Mr. Greenspan, former Chairman of the Federal Reserve, has spoken of the benefits of derivatives markets and specifically says that "Derivatives market lessen the vulnerability of individual financial institutions to shocks from underlying risk factors."

He also has said that "Derivatives markets have increased the resilience of the entire financial system."

Do you agree that the use of derivatives has improved the flexibility and stability of the financial system?

Mr. CHILTON. Yes, sir.

Senator CHAMBLISS. It has been awhile since I have looked at this but as I remember there was an issue relative to the validity of swaps and derivatives if they came under regulatory scrutiny. And I concur with you that we had better be careful before we ever

think about doing that, particularly, as you say, with a limited number of employees that are able to do the scrutiny.

Ms. Sommers, you have held several positions within the industry regulated by the CFTC. Would you please share with this Committee the roles you assumed in these capacities and how these experiences have prepared you to serve as a Commissioner?

Ms. SOMMERS. Thank you, Senator.

I started my career in the industry with a regulated exchange, the Chicago Mercantile Exchange, and was able to learn the business from a designated contract and self-regulatory organization's point of view.

I also had the opportunity to work for the International Swaps and Derivatives Association, an association that represents many of the investment banks that are participants and users of the marketplace and have an, I think, unique perspective because in many of the cases I have a sometimes opposite point of view that my background gives me from working with those two organizations.

I view my experience as a benefit to the Commission, not an impediment to my independence or my independent judgment as a Commissioner.

I view the mission of the agency very seriously to protect market users and to protect open and competitive markets.

Senator CHAMBLISS. You have, in your capacity being in the industry, obviously you have been employed in different aspects of it. And now as a Commissioner you may be on the other side of some of those entities that you have worked for and you will be regulating those particular entities. Are you telling the Committee today that you are willing to put aside any feelings you have from an employer/employee relationship and you are willing to be independent in looking at each of these agencies and whatever issues relative to them may come before the Commission?

Ms. SOMMERS. Absolutely, Senator.

Senator CHAMBLISS. Mr. Chilton, as you know, in 2000 we passed the CFMA. And now we are looking, as we did last year, we are looking again at the reauthorization of the CFMA. I think it has been generally agreed in the industry that there has been significant growth and innovation that was allowed by the CFMA.

As we look at free authorizing the CFMA, do you have any thoughts or comments or suggestions of anyway that you think we can improve it? In other words, we have had some people on this Committee who have advocated a one-line extension of the CFMA. And then we have others who want to go into more details about it. Do you have any comments relative to that? And then Jill, I will ask you the same question.

Mr. CHILTON. Thanks for the question, Senator. You are correct, it has been a resounding success. I think those who helped take part in it should be proud of it.

I think the Senate bill that was passed last time was a good piece of legislation and I think if you move down that road you will be fine. A one line extension would be all right but I think it does not take care of some of the things that the Senate was interested in doing, dealing with the Forex issue with regard to the Zelener loophole and potentially clarifying some of the fraud statutes in the law.

But other than that, sir, the Senate bill did those things and I think the Senate bill did a good job.

Senator CHAMBLISS. Ms. Sommers?

Ms. SOMMERS. Senator, I certainly agree with the Bart on that answer, going through the Senate bill. I know that the CFTC was particularly interested in making sure that their fraud authority was clarified under Forex issues and additionally making sure that those markets, the integrity of those markets are protected is what their mission is. So I know that would be helpful to the Commission.

Senator CHAMBLISS. To both of you, let me say your willingness to commit yourself to continued public service is admirable. We appreciate it very much and we look forward to your confirmation and your service on the Commission. Thank you.

Chairman HARKIN. Thank you, Senator Chambliss. Senator Lugar.

Senator LUGAR. Thank you very much, Mr. Chairman, for calling this hearing.

I would just reminisce for a moment that at the time that I was fortunate enough to come onto the Committee in early 1977, the table seemed to stretch all the way down from one end to the other. On one side was my dear friend, Pat Leahy. I was on the other side. And we were so remote from the Chairman, Herman Talmadge, and Jim Eastland who would smoke up here. And they would be caught in a cloud of smoke and suddenly the meeting was over, the meeting had been decided.

But one day they made a concession to the juniors at the end. This Commodity Futures Trading Corporation Act had been passed and no one paid much attention to it and some felt there should be oversight. And so we were assigned to that.

Of course, we took our duties very seriously, perhaps too seriously for our seniors on the whole business. But it has led me to a Senate lifetime of very deep interest in what you are doing.

When the Chairman got into today the energy question, this is an area that has either plagued or bedeviled the Committee and the Commission for a long time. It was not by chance that energy was exempted even in the last go round, nor in some before. There were very strong senators and other interests who simply felt that it was inappropriate and they did not want the regulation.

The Enron business brought things to the fore and I think, Bart, that you are correct that before you rush into this you need to think about what you are doing.

But I would hope that the Commission and the Congress would take seriously the problems that continually arise and not just simply in Enron but difficulties that are more current that you reference today.

I am grateful that you, Mr. Chilton, have a good Hoosier background out of Purdue. This is reassuring. And I see behind you the President of the National Farmers union who likewise claims Hoosier roots and was recently on my farm for a period of Earth Day celebrations with the Chicago Climate Exchange. So we are grateful to be reunited here today.

I have no further comment except to plea that we be courageous enough to step up to the energy questions. They are going to be-

come bigger and bigger. We had one period in which our Committee had extensive hearings with Alan Greenspan and others about derivatives. It was the time of the Capital Management fiasco and the whole banking system in the country was in jeopardy. We have never quite come to grips with all the indications of that, even given reassurances at the highest levels.

The two of you both have experience in this and you can make such a difference, not only in public life but in this specific agency.

I thank you, Mr. Chairman.

Chairman HARKIN. Thank you, Senator longer. Senator Coleman.

Senator COLEMAN. Thank you, Mr. Chairman.

On Monday, the Permanent Subcommittee on Investigations, of which I am the ranking member, held a hearing and released a report entitled Excessive Speculation in the Natural Gas Market. This was a bipartisan report. Chairman Levin and my staff examined the trading of a single hedge fund, which was Amaranth, LLC and revealed serious problems in the current regulation of our natural gas markets.

I am deeply concerned about the integrity of the energy markets and what appears to me a large gap in our regulatory structure.

What we saw in this investigation was in August, last August, NYMEX became concerned that Amaranth's holdings in natural gas positions had become too large and NYMEX ordered to reduce their NYMEX holdings. About one point in time Amaranth held about 100,000 contracts on the ICE and NYMEX, 75 percent of all outstanding future contracts to deliver natural gas on in November on NYMEX. It is pretty overwhelming. So Amaranth gets told by NYMEX to reduce its holding. They had no choice but to comply.

But rather than reduce its overall exposure in the natural gas market, they simply shifted its natural gas positions and holdings to unregulated OTC exchange where positions and limits and accountability limits do not apply.

So of course, the concern is if traders can avoid regulation by simply shifting their large positions to unregulated OTC markets, which is what you have with ICE, then the CFTC's ability to monitor and prevent excessive speculation and price manipulation is undermined.

I do notice that the CFTC has now proposed traders report details from exempt markets, which I think is certainly a step in the right direction.

I would note that our report revealed that Amaranth's activities, these were not victimless crimes. Ultimately this was $2 billion in natural gas holdings, an $8 billion portfolio wiped out. But consumers were impacted. The price of natural gas shot up by speculation, so it was the consumer who really was hurt by this.

The question is how to move forward.

Mr. Chilton, I appreciate your reflection that there are—what are the unintended consequences? The question was asked why should we not regulate both? I actually think we should get rid of the Enron loophole. But let us be aware that we could do NYMEX and ICE, but then you folks can shift to other markets, can shift to the London market. There is a lot of bilateral stuff that is not electronically recorded.

So I just think we have to be very, very aware that if we want—and I appreciate Senator Chambliss comments. Speculation, it provides liquidity in the market which helps consumers. This is not about protecting gamblers, speculators being gamblers, but it is about having liquidity in markets that consumers benefit. We benefit if you can buy lower in August or September for what may be a very cold winter in Minnesota and Iowa in January.

So that is the concern that we have.

In my short time, just two questions. One, there was a lot of support expressed for Congress giving CFTC authority to expand its regulatory reach and they called for regulation of the OTC exchange.

One, do you believe that—two things. One, there is—and I appreciate your issue about the cost of enforcement. We have to really—when you give the CFTC this authority, we better make sure they have the ability to handle that. I would be interested in both your perspectives and on whether if we would extend it just to those two, would that increase transparency enough? Should we be looking beyond ICE? And if so, where do we draw the line? Mr. Chilton and then Ms. Sommers?

Mr. CHILTON. I do not have a great answer for you, Senator, but you are absolutely right. If you go to the bilateral exchanges, those are just done over the phone. Those are totally in the dark. Those are removed.

So if we are thinking well, let us go require something at ICE, maybe that would work for a little bit if you were not too prescriptive and people did not leave the market and go other places. But they might just shift to some place that you will never see.

So these are sort of vexing questions and it is interesting hearing Senator Lugar talk about how people dealt with this through years and years. But it seems to me that energy is not just important right now with the high cost of fuel, but it is going to be more and more important.

And the number of products that are going to come online. Again, we talked about carbon sequestration. You have wind. There are an enormous amount of products that are going to come online. So we need to take this very seriously and I thank you for your interest in it.

I wish I had a more detailed answer for you, sir.

Senator COLEMAN. I look forward to you reading the report and we will have a further discussion.

Ms. Sommers?

Ms. SOMMERS. Thank you, Senator.

I also understand your concerns in this area. And I agree with you that this is an issue that is important to the Commission and important to Congress and something that we need to look at closely in the future.

I just will note something that Senator Harkin noted in his remarks. The CFTC's Enforcement Division does a great job in enforcing the Act and the regulations in the Act and the authorities that they have. And they have, in the last five years, opened more cases than in the history of the agency. So they a strong record.

Senator COLEMAN. Mr. Chairman, would you allow me one further question? Again, we spent a lot of time in this hearing and it

is a good opportunity, it is very, very timely, if Senator Thune would permit.

There was rather blistering criticism of the CFTC in that, in particular Professor Michael Greenberger, University Maryland Law School. He said you have vacancies coming up. It is traditional that anybody who supports the industry gets passed on on the Senate floor by a voice vote with no discussion. He said but are there going to be industrial consumers represented? Are there going to be regular consumers who are represented? Are they going to be academics?

If you represent—and I am not exact quotes, but taking parts of his testimony. If you represent the consumer, you get stopped. If you are helping the banks, you sail through.

Ms. Sommers in particular, you come from a background where you have been involved in the swaps and futures industry. Is that a detriment? Can you effectively represent consumers if you have worked with the industry? How would you respond to that?

Ms. SOMMERS. Senator, I think that I can say from my experience, I have worked with the CFTC for over 15 years. I think you look at the structure that they have at the agency. They have advisory committees.

And if you look at the participants in those advisory committees, there are users, there are producers, there are producer groups. Everybody is represented at the table. When the agency looks at difficult issues that are affecting the industry, they are hearing from everyone.

I think they do a good job in their role of protecting the consumers.

Senator COLEMAN. Mr. Chilton, do we have to do something in terms of the structure of the CFTC to ensure that the consumers voice is heard and reflected upon?

Mr. CHILTON. Not that I know of, sir. It seems to me that there is an open process. There is an open regulatory process like there is in any Federal agency that goes on.

I did read those comments in the press report and it sort of troubled me, not in particular about myself. I will say that the two Commissioners that are there right now, both Commissioner Dunn and Commissioner Lukken, both former staffers of this Committee by the way, they are in nobody's pocket. I have worked with them for years and I have tried to get them to do things and they do not want to have anything of it.

So I hope to be independent when I get there and I am sure Mr. Sommers does also.

Senator COLEMAN. Thank you. I thank both witnesses and nominees and I think the Chair.

Chairman HARKIN. Senator Coleman, I appreciate that question on consumers because I was going to ask that same thing myself.

Senator THUNE.

Senator THUNE. Thank you, Mr. Chairman. And thank you, Ms. Sommers and Mr. Chilton, for putting yourselves forward for public service. The CFTC is obviously an important agency and plays a critical role in maintaining transparency and competitive and economically sound futures and options markets.

It is the watchdog, the enforcer of laws that govern our markets. Accordingly, the members of the Commission need to provide objective and independent judgment and analysis that protects the American public and investors from fraud in the financial marketplace.

I think it is important that these positions be filled. The CFTC is, I think, handicapped by some of these long-standing vacancies and without a full Commission has limited ability to carry out its mandated mission to protect consumers from fraud and abuse. So I hope that this Committee can move quickly to get these positions, to get you all confirmed and in there so you can go to work.

Just a couple of questions if I might. Has excessive speculation contributed to volatility in the futures market? And if so, what does the CFTC need from Congress in terms of more authority to address the issue? There is a view out there, widely held I think, at least in some quarters, that there is a lot of speculation that in some ways contributes to the volatility.

I am curious to get your take on that and what Congress might be able to do to address that? Either of you or of you.

Mr. CHILTON. Mr. Chairman and Mr. Thune, it is an issue but, as Senator Coleman said, it is a double-edged sword. You need enough speculation in the market that you provide liquidity, which provides capital, which provides enough so people can hedge. So it is sort of a vexing question. But Congress actually did something sort of interesting. Manipulation is actually listed in the statute as against the law. You cannot do it.

On speculation, sir, it is really regulatory—there is a rulemaking process. So over three decades it stayed like that. It may be because—I don't know. It may be because it is so difficult to define. What is too much?

I think the CFTC has done a pretty good job over the years. But that does not mean that there are not issues like the one that Senator Coleman talked about that we need to look at that really were not around years and years ago.

I hope that answers your question.

Senator THUNE. Ms. Sommers, do you want to respond to that?

Ms. SOMMERS. Sure. Senator Thune, I think when you look at the position limits in markets, that is something that the exchanges, which are self-regulatory organizations, all have excellent market surveillance programs. And the exchanges themselves have a great deal to lose if their market integrity is ever called into question.

They are protecting their name and their markets from abusive practices and they are looking at these position limits and looking at the traders in the market. And they set those limits to where they know that it is going to create a liquid market without sacrificing the integrity of their markets.

Senator THUNE. It is probably a fine line to try and determine the difference between speculation and manipulation, speculation being the legitimate part of the marketplace working. But I did want to ask that question.

What is your view on the relationship between the SEC and the CFTC? Do those roles overlap? And if so, do you think that can be

addressed to ensure that there is efficiency if there is not overlap in the way the agencies function?

Mr. CHILTON. Thanks, Senator, for the question.

You know, they are similar in some regards but they have different mandates and different laws. I read some of the news reports this morning that you probably have that somebody at the SEC was talking about potentially merging. I do not know that you ever get cost efficiencies when you do that. There are, for example, subject matter experts at the CFTC. They are looking at these individual products, some of those that I mentioned in my opening statement, weather futures, et cetera. It is sort of a different function than the SEC has.

Tony Blair tried this and did actually merge agencies over there. And as far as I can tell, there is no cost savings. So I think you have to be wary of it as you move forward.

Chairman HARKIN. Ms. Sommers.

Ms. SOMMERS. Thank you, Senator.

I think that when Congress created the SEC and then later the CFTC, had they known what the evolution of these markets would look like now, they could probably look back and say maybe we should have done this differently. But the products now, a lot of times, are definitionally blurred. And it is a difficult question.

But the CFTC has enormous differences from the SEC and they are experts in what they do over there regulating the derivatives industry. And I do think, as Bart said, I am not sure that it is something that would create the efficiencies that we see from the outside.

Senator THUNE. One last question if I might, Mr. Chairman. Mr. Chilton, in your testimony you mentioned the need to harmonize market regulations with foreign regulatory bodies. What steps does the CFTC need to take to achieve that goal?

Mr. CHILTON. Well specifically, people do not have the same—not all exchanges have the same sort of standards we do. For example, capital requirements on margins, et cetera. They do not have the same—some of them have record-keeping but they do not have regulation.

So when I talk about harmonizing, I am really not talking, Senator, about reducing our standards. I am talking about trying to ensure a harmonized regulatory regime worldwide that protects U.S. investors who want to put their money in overseas exchanges.

Senator THUNE. Mr. Chairman, thank you. And again, thanks to our nominees and we look forward to working with you. Hopefully we will get you confirmed quickly. Thank you.

Chairman HARKIN. Thank you, Senator Thune.

I just wanted to read this on the report that came out here that Senator Coleman was talking about. It was a very good report but I would just read one sentence. It said "To continue the present situation, in which the CFTC does not police two of the three major markets trading U.S. energy futures is to turn a blind eye to an increasingly large segment of these markets, thereby impairing the ability to detect, prevent, and prosecute market manipulation and fraud. The United States needs to put the cop back on the beat in all of those key energy markets."

Well, you are the cop and we need to figure out how we can get you back on that beat.

One last thing on speculation. I continue to hear from ag producers and now I am hearing from ethanol people about the fact that a couple of years ago the CFTC raised the speculative limits on positions held in agriculture futures contracts. Now there may be arguments on both sides, but I am hearing more and more from ethanol producers and others that this has really put them at a great disadvantage.

So I am just wondering if I could ask would you be willing, if you are obviously confirmed, would you commit to taking an independent look at this issue? And would you be willing to re-examine the action taken in raising the speculative limits if the facts and circumstances support taking another look at this issue?

Ms. SOMMERS. Absolutely.

Mr. CHILTON. Yes, sir.

Chairman HARKIN. Do you have any other elaboration on that at all?

Mr. CHILTON. Well, I mean, there is only certain commodities that—and Ms. Sommers may be able to help me out on it. But there are only, I think, nine commodities where actual limits are not set by the exchanges themselves. I think what you want to be careful about, sir, is you do not want the Federal Government to be the price setter for these things. By setting limits, you may have some impact on that. That gets into a scary area.

So I think you want to be careful but it is absolutely something that I would be pleased to look at and would like to look at.

Ms. SOMMERS. Yes, Senator, I do agree that I would be happy to look at any specific issue. But I do think that in some of the cases in commodities, those position limits are set by the exchanges themselves and they are given to the CFTC as an internal rule change for the exchange. The exchanges have their own market surveillance programs and, as I said in response to Senator Thune, they have a lot to lose if they lose the integrity of their markets. When they change position limits in a contract, it is because of the way that contract is trading.

They have the on the ground expertise, I guess is what I am saying. And so we would want to work closely with the exchanges to make sure that their own internal rule changes are not something that are adversely affecting the customers in that market.

Chairman HARKIN. Very good. Senator Lugar.

Senator LUGAR. Mr. Chairman, I just want to follow through on a comment that you just made. In some of the ag newsletters that I read each day, the comment is made again and again that we are in a new period of time in terms of trading, perhaps due to ethanol or the energy business entering into it, in which analysts say in the old days we used to look at weather, the amount of planting of various crops, some fundamental things with regard to the feeding of livestock, even the export markets disappearance that way.

But now you have a virtual revolution in terms of expectations on markets, as well as with farmers and other producers, in which this phenomenon really has not been surveyed because it is still maybe a revolution underway, this particular year being a good

case in point, with the price of corn being roughly $1.50 a bushel more. That is a huge change in a single year of time.

I just wonder, Mr. Chairman, whether this is not something that we are asking the regulators to regulate, although clearly some of the anxiety with regard to the swings day by day that come from all of this do bring some anxieties. And that is a part of a speculation and the price setting.

But it may be at some point an oversight hearing by the Committee in which we sort of examine this remarkable year in which we are now involved. Maybe we have to have some of our own benchmarks to see how it all works out, might be helpful. So that we do not overregulate. But then if some changes are needed in your regulations or in basic legislation, we are in a better position.

Because I sense, perhaps as you do as very careful students of the market, that this is a very exciting time to be trading. But at the same time maybe so exciting that sometimes things may come off the track where deliberate harm occurs in various markets.

So this is just my own speculative comment, that this might be worthy of our study at some stage just to get a fix on it so that we are all better informed and from our own prejudices do not rush off in some direction.

Chairman HARKIN. Thank you very much, Senator Lugar. That is a good suggestion. I just hope we can maybe get through the Farm Bill first and then we can take a look at that at that point in time.

[Laughter.]

Chairman HARKIN. I have a feeling we are going to have a long fall here so there are a lot of oversight things we can look at at that time.

If there are no other questions, I would just say that—and I hope staff and Senator, I hope you do not think this is unreasonable but I will propose this, that all questions for the record submitted to these nominees be submitted prior to six o'clock this evening. That way we can get them to the nominees and they will have tomorrow to respond to those questions. If that works then possibly we can get the nominees discharged from the Committee even before the week is out, if that is okay.

Senator LUGAR. I have no objection. I do not know if any of the staff representing other senators have any objection.

Chairman HARKIN. We had a pretty good turnout here today so I am not certain if anybody has any more questions. But if they do, get them to my staff, get them here prior to six o'clock and we will get them to the nominees and we will ask you to respond as rapidly as possible. The more rapidly you respond, the sooner we can get you discharged from the Committee.

If there are no other questions then, again I thank both our nominees. I join with my fellow Senators in thanking you for your long service and public service here on the Hill and other places and thank you for your willingness to serve on the CFTC. Hopefully, we can move this expeditiously.

With that, the Senate Committee will stand adjourned.

[Whereupon, at 3:01 p.m., the Committee was adjourned.]

APPENDIX

JUNE 27, 2007

Statement of Bart Chilton
Before the
United States Senate Committee on Agriculture, Nutrition and Forestry
June 27, 2007

Thank you Chairman Harkin, Senator Chambliss and members of the Committee. It is a pleasure to be with the Committee today. Before I start, I particularly want to thank Senator Harkin for his support in addition to the other Senators who have expressed their support for my nomination. I also want to thank the Majority Leader, Senator Reid, for recommending me to the President and President Bush for nominating me. Finally, I want to thank the majority and minority staff for their assistance during the nominations process.

Knowing of your busy schedules and important work that you are all doing as it relates to the new farm bill, I am especially appreciative that you have taken the time to conduct this hearing regarding nominations to the Commodity Futures Trading Commission (CFTC). Ensuring that the CFTC has a full complement of commissioners is of great importance in the work that the agency undertakes.

For more than 20 years, I've had the privilege of working in the Legislative and Executive branches of our government. Although many times challenging, that work has been exciting and rewarding. My professional experiences have given me great respect for and understanding of how laws are made, and how regulations are promulgated, implemented and enforced. Should I be confirmed, I look forward to using the experience I have gained to ensure that the CFTC continues its history of principles-based oversight coupled with strong enforcement authority, which fosters competition and innovation along with transparency and integrity in our nation's futures markets.

Changes in our futures industry have come fast and furious. Following enactment of the Commodity Futures Modernization Act in 2000, the exchanges made rapid advances in electronic trading. In fact, on many exchanges well over 50% of trades now occur electronically. In addition, amazingly, $4 trillion in notional value derivative contracts are traded on U.S. exchanges each day, making the United States markets in the aggregate the premier futures and options markets in the world.

While the traditional agriculture commodities that the exchanges started with and remained a mainstay until the mid-70's now account for only about 7% of all trades, these markets remain critical for agriculture. They are important in helping to establish commodity prices that affect farmers, ranchers and other commodity suppliers, processors and merchandisers --- to say nothing of the consumer.

That said there have been numerous innovations with the development of novel commodity market products. Who would have thought that markets would be trading carbon sequestration credits and weather derivatives? One can literally purchase weather contracts based upon heating and cooling days.

While U.S. markets have changed, so have markets outside of our nation. The growth of international markets requires that the CFTC work closely with foreign counterparts to ensure that regulatory standards are harmonized to foster global competition and innovation in the marketplace to the greatest extent practicable. I know this is an important matter for members of the Committee. Should I be confirmed, I will work hard on meeting the challenges we face in this regard.

Finally, should I be confirmed, I will work to ensure that we continue to have efficient and effective markets that operate with the greatest degree of transparency possible. I will also do all I can to ensure that the agency continues to remain vigilant in protecting investors against fraud and manipulation.

Thank you again for the opportunity to be with you today. I would be pleased to try and answer any questions.

STATEMENT OF JILL E. SOMMERS
Before the United States Senate
Committee on
Agriculture, Nutrition and Forestry
June 27, 2007

Chairman Harkin and Members of the Agriculture Committee, I am honored to sit before you today as a nominee to be a Commissioner at the Commodity Futures Trading Commission. It is a true honor and privilege for me to be nominated by the President for this distinguished position.

I would like to thank my husband Mike Sommers, who is here with me today for his support. We have three small children ages 2, 4, and 5 – who chose the pool this afternoon over a Senate hearing. I would also like to thank my parents, John and Joyce Maycumber, for being with me today from Fort Scott, Kansas.

I started working on Capitol Hill more than 15 years ago for Senator Bob Dole as an intern from the University of Kansas. I worked for him in various capacities for almost five years and from Senator Dole I learned the importance of a fair and reasonable decision making process. I grew up in a small town in Southeast Kansas where my parents still reside. They have owned a hardware store in our farming community for 38 years. My parents taught me the value of hard work and integrity. If confirmed as a Commissioner, I will bring all of the values of my Kansas roots with me to the Commission.

During my career, I have had the opportunity to work in the futures industry. It is a fascinating world which is constantly changing and innovating. For example, when I started working at the Chicago Mercantile Exchange in 1998, its electronic trading platform was used for overnight or after hours trading and the electronic volume was less than 15% of the total volume. Today, millions of contracts a day are traded electronically on the CME with a system that trades virtually 24 hours. Fortunately, when Congress was tasked with reauthorizing the CFTC in 2000, they saw an industry that was quickly evolving and they created a framework to give the CFTC the appropriate regulatory tools to keep pace with the development in these markets. The Commodity Futures Modernization Act and my work on it shaped fundamentally my view of how the government can and should interact with these markets. The CFMA unleashed the power of the free market on the futures industry, without sacrificing a rigorous enforcement structure at the CFTC.

The CFTC does an outstanding job of encouraging market growth and innovation while ensuring the integrity of the marketplace and protecting market users. The agency has taken this mission seriously and pursues very aggressive action against wrongdoers in the markets.

My regulatory philosophy rests on some of the basic principles Congress stressed during CFMA - fair and flexible supervision while providing strong and independent oversight.

Congress got it right in CFMA. It did it through encouraging competitiveness and ensuring legal certainty. Congress in its wisdom understood the truth that American entrepreneurs and traders are the best in the world if given the opportunity to succeed.

Whether you are a farmer trading wheat in Kansas City or a trader in Chicago buying Treasury Bonds, the CFTC regulates each market with a proper level of oversight. Every one of the contracts traded on each futures and options exchange in United States plays an important role, and every market participant deserves to have confidence in the integrity and efficiency of those markets.

I understand that there are some challenging issues facing the Commission, but as a mother of three small children, I know how to handle a challenge. I look forward to the opportunity to work on the numerous significant matters on the Commission agenda today and in the future.

If confirmed by this Committee and the United States Senate, I will work hard to ensure that the CFTC continues it role of encouraging efficient, transparent and financially sound futures and options markets while protecting the public from fraud, manipulation and abusive practices.

Thank you for the opportunity to appear before you today. I look forward to answering any questions the Committee may have.

DOCUMENTS SUBMITTED FOR THE RECORD

JUNE 27, 2007

United States
Office of Government Ethics
1201 New York Avenue, NW., Suite 500
Washington, DC 20005-3917

May 17, 2007

The Honorable Tom Harkin
Chairman
Committee on Agriculture, Nutrition,
and Forestry
United States Senate
Washington, DC 20510-6000

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Bart H. Chilton, who has been nominated by President Bush for the position of Commissioner, Commodity Futures Trading Commission.

We have reviewed the report and have also obtained advice from the Commodity Futures Trading Commission concerning any possible conflict in light of its functions and the nominee's proposed duties. Also enclosed is a letter dated April 5, 2007, from Mr. Chilton to the agency's ethics official, outlining the steps Mr. Chilton will take to avoid conflicts of interest. Unless a specific date has been agreed to, the nominee must fully comply within three months of his confirmation date with any action he agreed to take in his ethics agreement.

Based thereon, we believe that Mr. Chilton is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

Robert I. Cusick
Director

Enclosures

SF 278 (Rev. 05/2000)
5 C.F.R. Part 2634
U.S. Office of Government Ethics

Executive Branch Personnel PUBLIC FINANCIAL DISCLOSURE REPORT

Form Approved.
OMB No. 3209 - 0001

Date of Appointment, Candidacy, Election, or Nomination (Month, Day, Year)	Reporting Status (Check Appropriate Boxes)	Incumbent ☐	Calendar Year Covered by Report	New Entrant, Nominee, or Candidate ☒ / Termination Filer ☐ / Termination Date (If Applicable) (Month, Day, Year)
Reporting Individual's Name	Last Name: Chilton	First Name and Middle Initial: Bart H		
Position for Which Filing	Title of Position: Commissioner	Department or Agency (If Applicable): Commodities Futures Trading Commission		
Location of Present Office (or forwarding address)	Address (Number, Street, City, State, and ZIP Code): 400 North Capitol St, NW, Ste 790, Washington, DC 20001	Telephone No. (Include Area Code): 202-441-8435		
Position(s) Held with the Federal Government During the Preceding 12 Months (If Not Same as Above)	Title of Position(s) and Date(s) Held: Executive Assistant, U.S. Farm Credit Administration (2/05 - 5/06)			
Presidential Nominees Subject to Senate Confirmation	Name of Congressional Committee Considering Nomination: Committee on Agriculture, Nutrition and Forestry	Do You Intend to Create a Qualified Diversified Trust? ☐ Yes ☒ No		
Certification: I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge.	Signature of Reporting Individual	Date (Month, Day, Year): 3/30/07		
Other Review (If desired by agency)	Signature of Other Reviewer	Date (Month, Day, Year): 05-08-2007		
Agency Ethics Official's Opinion: On the basis of information contained in this report, I conclude that the filer is in compliance with applicable laws and regulations (subject to any comments on the lists below).	Signature of Designated Agency Ethics Official/Reviewing Official	Date (Month, Day, Year): May 8, 2007		
Office of Government Ethics Use Only	Signature	Date (Month, Day, Year): 5/17/07		

Comments of Reviewing Officials (If additional space is required, use the reverse side of this sheet)

(Check box if filing extension granted & indicate number of days _____) ☐

(Check box if comments are continued on the reverse side) ☐

Fee for Late Filing
Any individual who is required to file this report and does so more than 30 days after the date the report is required to be filed, or, if an extension is granted, more than 30 days after the last day of the filing extension period, shall be subject to a $200 fee.

Reporting Periods
Incumbents: The reporting period is the preceding calendar year except Part II of Schedule C and Part I of Schedule D where you must also include the filing year up to the date you file. Part II of Schedule D is not applicable.

Termination Filers: The reporting period begins at the end of the period covered by your previous filing and ends at the date of termination. Part II of Schedule D is not applicable.

Nominees, New Entrants and Candidates for President and Vice President:

Schedule A--The reporting period for income (BLOCK C) is the preceding calendar year and the current calendar year up to the date of filing. Value assets as of any date you choose that is within 31 days of the date of filing.

Schedule B--Not applicable.

Schedule C, Part I (Liabilities)--The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing.

Schedule C, Part II (Agreements or Arrangements)--Show any agreements or arrangements as of the date of filing.

Schedule D--The reporting period is the preceding two calendar years and the current calendar year up to the date of filing.

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SF 278 (Rev. 03/2000)
5 C.F.R. Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name: Chilton, Bart H

SCHEDULE A

Page Number: 2 of 8

Assets and Income — BLOCK A

For you, your spouse, and dependent children, report each asset held for investment or the production of income which had a fair market value exceeding $1,000 at the close of the reporting period, or which generated more than $200 in income during the reporting period, together with such income.

For yourself, also report the source and actual amount of earned income exceeding $200 (other than from the U.S. Government). For your spouse, report the source but not the amount of earned income of more than $1,000 (except report the actual amount of any honoraria over $200 of your spouse).

None ☐

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

	Assets and Income (Block A)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
Examples	Central Airlines Common				X												X						X										
	Doe Jones & Smith, Hometown, State			X																												Law Partnership Income $130,000	
	Kempisome Equity Fund					X								X										X									
	IRA: Heartland 500 Index Fund							X						X											X								
1	Farmers Educational & Coop. Union of America (Salary)																															$113,274	
2	Agraria, LLP (Restaurant) Washington Harbour Center 3000 K St NW, Wash., DC 20007		X														X				X												
3	VeraSun (VSE)		X														X				X												
4	Janus Fund		X											X								X											
5	AGG - ISHARE Lehman US Aggregate Bond			X										X								X											
6	EEM - ISHARE MSC Emer. Mkts. Index			X										X								X											

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Reporting Individual's Name: Chilton, Bart H

SCHEDULE A continued
(Use only if needed)

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

#	Assets and Income (BLOCK A)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
1	EFA - ISHARE EAFE Index				X									X									X										
2	IWD - ISHARE Russell 1000 Value Index					X								X									X										
3	IWF - ISHARE Russell 1000 Growth Index					X								X									X										
4	IWN - ISHARE Russell 2000 Growth Value		X											X								X											
5	IWO - ISHARE Russell 2000 Growth Index		X											X								X											
6	Farmers Educational & Coop. Union of America 401(k) Savings & Investment (See below)																																
7	-- Maxim Agressive Profile II		X											X							X												
8	-- Oppenheimer Global A		X											X							X												
9	-- Maxim Ariel Small-Cap Value		X											X							X												

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Reporting Individual's Name: Chilton, Bart H

SCHEDULE A continued
(Use only if needed)

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

#	Assets and Income (Block A)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
1	Farmers Educational & Coop. Union of America 401(k) Savings & Investment (Cont. see below)																																
2	-- Fidelity Advisor Mid Cap T		X											X							X												
3	-- Maxim T. Rowe Price Equity Income		X											X							X												
4	-- Oppenheimer Capital Appreciation A		X											X							X												
5	-- PIMCO Total Return Admin		X											X							X												
6	-- Guaranteed Portfolio Fund		X											X							X												
7 S	Ernst & Young, LLP																															spouse salary	
8 S	Smith Barney S&P 500 Index		X											X								X											
9 S	Ernst & Young, LLP -- 401(k) -- Fidelity Magellan (LCG)			X										X								X											

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Reporting Individual's Name: Chilton, Bart H

SCHEDULE A continued
(Use only if needed)

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

	Assets and Income (Block A)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
1 S	Ernst & Young, LLP – 401(k) – Fidelity Low Price (MCV)			X										X								X											
2 S	Ernst & Young, LLP – 401(k) – Fidelity Balance			X										X								X											
3 S	Ernst & Young, LLP – 401(k) – Dodge & Cox Stock (DODGX)			X										X								X											
4 S	Ernst & Young, LLP – 401(k) – AF Europac Growth R5 (Int'l)			X										X								X											
5 S	RiverSource New Dimensions			X										X								X											
6 S	RiverSource Large Cap Equity			X										X								X											
7 S	RiverSource Diversified Bond A		X											X							X												
8 S	RiverSource High Yield Bond		X											X								X											
9 S	PEUGX – Putnam Europe Equity		X											X							X												

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Reporting Individual's Name: Chilton, Bart H

SCHEDULE A continued
(Use only if needed)

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

#	Assets and Income (BLOCK A)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$1,000,001* - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	Amount: $201 - $1,000	Amount: $1,001 - $2,500	Amount: $2,501 - $5,000	Amount: $5,001 - $15,000	Amount: $15,001 - $50,000	Amount: $50,001 - $100,000	Amount: $100,001 - $1,000,000	Amount: Over $1,000,000*	Amount: $1,000,001 - $5,000,000	Amount: Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
1 S	POVSX -- Putnam Int'l Equity			X										X								X											
2 S	PGRWX -- Putnam Growth & Income		X											X								X											
3 S	PVISX -- Putnam Vista		X											X							X												
4 S	PSLAX -- Putnam Small Cap Value		X											X								X											
5																																	
6																																	
7																																	
8																																	
9																																	

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Do not complete Schedule B if you are a new entrant, nominee, or Vice Presidential or Presidential Candidate

Reporting Individual's Name: Chilton, Bart H

SCHEDULE B

Page Number: of 8

Part I: Transactions

Report any purchase, sale, or exchange by you, your spouse, or dependent children during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss.

Do not report a transaction involving property used solely as your personal residence, or a transaction solely between you, your spouse, or dependent child. Check the "Certificate of divestiture" block to indicate sales made pursuant to a certificate of divestiture from OGE.

None ☐

	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Certificate of divestiture
Example	Central Artesian Common	x			2/1/99			x									
1																	
2																	
3																	
4																	
5																	

*This category applies only if the underlying asset is solely that of the filer's spouse or dependent children. If the underlying asset is either held by the filer or jointly held by the filer with the spouse or dependent children, use the other higher categories of value, as appropriate.

Part II: Gifts, Reimbursements, and Travel Expenses

For you, your spouse and dependent children, report the source, a brief description, and the value of: (1) gifts (such as tangible items, transportation, lodging, food, or entertainment) received from one source totaling more than $260, and (2) travel-related cash reimbursements received from one source totaling more than $260. For conflicts analysis, it is helpful to indicate a basis for receipt, such as personal friend, agency approval under 5 U.S.C. § 4111 or other statutory authority, etc. For travel-related gifts and reimbursements, include travel itinerary, dates, and the nature of expenses provided. **Exclude** anything given to you by the U.S. Government; given to your agency in connection with official travel; received from relatives; received by your spouse or dependent child totally independent of their relationship to you; or provided as personal hospitality at the donor's residence. Also, for purposes of aggregating gifts to determine the total value from one source, exclude items worth $104 or less. See instructions for other exclusions.

None ☐

	Source (Name and Address)	Brief Description	Value
Example	Nat'l Assn. of Rock Collectors, NY, NY	Airline ticket, hotel room & meals incident to national conference 6/15/99 (personal activity unrelated to duty)	$500
	Frank Jones, San Francisco, CA	Leather briefcase (personal friend)	$100
1			
2			
3			
4			
5			

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SCHEDULE C

Part I: Liabilities

Report liabilities over $10,000 owed to any one creditor at **any time** during the reporting period by you, your spouse, or dependent children. Check the highest amount owed during the reporting period. **Exclude** a mortgage on your personal residence unless it is rented out; loans secured by automobiles, household furniture or appliances; and liabilities owed to certain relatives listed in instructions. See instructions for revolving charge accounts.

None ☒

	Creditors (Name and Address)	Type of Liability	Date Incurred	Interest Rate	Term of applicable	Category of Amount or Value (x): $10,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
Examples	First District Bank, Washington, DC	Mortgage on rental property, Delaware	1991	8%	25 yrs.			x								
	John Jones, 123 J St., Washington, DC	Promissory note	1999	10%	on demand					x						
1																
2																
3																
4																
5																

*This category applies only if the liability is solely that of the filer's spouse or dependent children. If the liability is that of the filer or a joint liability of the filer with the spouse or dependent children, mark the other higher categories, as appropriate.

Part II: Agreements or Arrangements

Report your agreements or arrangements for: (1) continuing participation in an employee benefit plan (e.g. pension, 401k, deferred compensation); (2) continuation of payment by a former employer (including severance payments); (3) leaves of absence; and (4) future employment. See instructions regarding the reporting of negotiations for any of these arrangements or benefits.

None ☐

	Status and Terms of any Agreement or Arrangement	Parties	Date
Example	Pursuant to partnership agreement, will receive lump sum payment of capital account & partnership share calculated on service performed through 1/00.	Doe Jones & Smith, Hometown, State	7/85
1	401(k)no furthr contributions from employer after seperation	Farmers Educational & Cooperative Union of America	00/06
2			
3			
4			
5			
6			

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Reporting Individual's Name: Chilton, Bart H

SCHEDULE D

Part I: Positions Held Outside U.S. Government

Report any positions held during the applicable reporting period, whether compensated or not. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. **Exclude** positions with religious, social, fraternal, or political entities and those solely of an honorary nature.

None ☐

	Organization (Name and Address)	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Examples:	Nat'l Assn. of Book Collectors, NY, NY	Non-profit education	President	6/92	Present
	Doe Jones & South, Hometown, State	Law firm	Partner	7/85	1/00
1	Farmers Educational & Cooperative Union of America	Non-Profit Trade Association	Chief of Staff	06/2006	present
2	Association of Family Farms	501(c)(3)	Director/Officer	10/2006	present
3	Bion Environmental Technologies, Inc.	For Profit Company	Director	10/2006	present
4					
5					
6					

Part II: Compensation in Excess of $5,000 Paid by One Source

Report sources of more than $5,000 compensation received by you or your business affiliation for services provided directly by you during any one year of the reporting period. This includes the names of clients and customers of any corporation, firm, partnership, or other business enterprise, or any other non-profit organization when you directly provided the services generating a fee or payment of more than $5,000. You need not report the U.S. Government as a source.

Do not complete this part if you are an Incumbent, Termination Filer, or Vice Presidential or Presidential Candidate.

None ☐

	Source (Name and Address)	Brief Description of Duties
Examples:	Doe Jones & South, Hometown, State	Legal services
	Metro University (client of Doe Jones & South), Moneytown, State	Legal services in connection with university construction
1	Farmers Educational & Cooperative Union of America	Salary for full-time position (Chief of Staff)
2		
3		
4		
5		
6		

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April 5, 2007

Mr. John P. Dolan
Counsel and
Alternate Designated Ethics Official
Office of the General Counsel
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Dear Mr. Dolan:

This letter describes the steps I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Commissioner for the Commodity Futures Trading Commission ("CFTC").

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my financial interests or those of any other person whose interests are imputed to me, unless I first obtain a written waiver pursuant to section 208(b)(1) or qualify for a regulatory exemption pursuant to section 208(b)(2). I understand that the interests of the following persons are imputed to me: my spouse and minor children; any general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

Upon confirmation, I will resign my position as Chief of Staff of the Farmers Educational & Cooperative Union of America (otherwise known as the National Farmers Union, or NFU). Furthermore, for a period of one year after the termination date of my employment with my former employer NFU, I will not participate personally and substantially in any particular matter involving specific parties in which my former employer NFU is a party or represents a party, unless I am authorized to participate under 5 C.F.R. § 2635.502(d).

Pursuant to 5 C.F.R. 2635.502, I acknowledge that I have a "covered relationship" with my former employer, NFU, and also with any entity for which I have served as an agent or consultant within the past year. Accordingly, for a period of one year after the termination date of my employment with NFU, I will not participate personally and substantially in any particular matter involving specific parties in which NFU is a party or represents a party, unless I am authorized to participate.

Upon my confirmation, I will resign my position as a member of the Board of Directors of Bion Environmental Technologies, Inc. Although I have been a member of the Board of Directors of Bion Environmental Technologies Inc., a for-profit organization, I have not received, nor will I accept, any compensation for any services to this organization. For a period of one year after my resignation, I will not participate personally and substantially in any particular matter involving

specific parties, in which this organization is a party or represents a party under 5 C.F.R.§ 2635.502 (d).

Upon my confirmation, I will resign my position as a member of the Board of Directors of the Association of Family Farms. Although I have been a member of the Board of Directors of the Association of Family Farms., a non-profit organization, I have not received, nor will I accept, any compensation for any services to this organization. For a period of one year after my resignation, I will not participate personally and substantially in any particular matter involving specific parties, in which this organization is a party or represents a party under 5 C.F.R.§ 2635.502 (d).

To avoid any appearance of partiality, I will not within one year of the date of my confirmation participate in a particular CFTC matter -- including consideration of a particular CFTC regulation or the CFTC's position on proposed legislation -- if I have, within three years of the date of my confirmation, represented to the federal government on behalf of any private party, including NFU or its members, with respect to that same particular matter.

Finally, it is my understanding that there is no requirement that I sell my current shares in VeraSun, a publicly-held ethanol company. However, to avoid any appearance of a conflict of interest, I will divest all of my shares in VeraSun within 90 days of my confirmation.

Sincerely,

Bart H. Chilton

BIOGRAPHICAL INFORMATION (PUBLIC)

1. Full name (include any former names used).

   Bart Hamilton Chilton, Bartholomew Chilton

2. Date and place of birth.

   May 1, 1960 -- Wilmington, Delaware, USA

3. Marital Status (include maiden name of wife or husband's name). List spouse's occupation, employer's name and business address(es).

Spouse:	Sherry Chilton (formerly, Sherry Daggett)
Occupation:	Management Executive
Employer Info:	Ernst & Young, LLP 5 Times Square New York, New York 10036

4. Education: List each college and graduate or professional school you have attended, including dates of attendance, degrees received, and dates degrees were granted.

   Purdue University 1979-1982

5. Employment Record: List (by year) all business or professional corporations, companies, firms, or other enterprises, partnerships, institutions and organizations, nonprofit or otherwise, including farms, with which you were connected as an officer, director, partner, proprietor, or employee since graduation from college; include a title and brief job description.

1983	City of Fort Wayne, Indiana	Aide to the Mayor
1983-84	Mondale for President	Field Organizer
1985-86	U.S. Hse. of Reps. Hon. Terry Bruce	Legislative Assistant
1987-89	U.S. Hse. of Reps. Hon. Jim Jontz	Legislative Director
1989-94	U.S. Hse. of Reps. Hon. Jill Long	Legislative Director
1995	U.S. Hse. of Reps. Hon. Earl Pomeroy	Legislative Director
1995-1999	U.S. Dept. of Agriculture	Policy Dir. Rural Dev.
1999-2001	U.S. Dept. of Agriculture	Deputy Chief of Staff
2001	Bion Environmental Technologies	Vice President
2001-05	U.S. Senate Hon. Tom Daschle	Sen. Policy Advisor
2005-06	U.S. Farm Credit Administration	Assistant to the Board
2006-07	National Farmers Union	Chief of Staff/VP Govt.
2006-07	Association of Family Farms	Board Member/Treasurer
2006-07	Bion Environmental Technologies	Board Member

6. Military Service: Have you had any military service? If so, give particulars, including the dates, branch of service, rank or rate, serial number and type of discharge received.

No.

7. Government Service: State (chronologically) your government service or public offices you have held, including the terms of service grade levels and whether such positions were elected or appointed.

1985-86	U.S. Hse. of Reps. Hon. Terry Bruce	Salaried Employee
1987-89	U.S. Hse. of Reps. Hon. Jim Jontz	Salaried Employee
1989-94	U.S. Hse. of Reps. Hon. Jill Long	Salaried Employee
1995	U.S. Hse. of Reps. Hon. Earl Pomeroy	Salaried Employee
1995-1999	U.S. Dept. of Agriculture	Schedule C (GS-15)
1999-2001	U.S. Dept. of Agriculture	Schedule C Senior Executive Service
2001-05	U.S. Senate Hon. Tom Daschle	Salaried Employee
2005-06	U.S. Farm Credit Administration	Schedule C

8. Honors and Awards: List any scholarships, fellowships, honorary degrees, and honorary society memberships that you received and believe would be of interest to the Committee.

None.

9. Political Affiliation: The statute creating the Commodity Futures Trading Commission requires that no more than three members be from the same political party. List your current political party registration or affiliation.

Democrat.

10. Other Memberships: List all organizations to which you belong, excluding religious organizations.

Columbia Beach Citizens Improvement Association

11. Published Writings: List the titles, publishers, and dates of books, articles, reports, or other published materials (including published speeches) you have written. Please include on this list published materials on which you are listed as the principal editor. It would be helpful to the Committee if you could provide one copy of all published material that may not be readily available. Also, to the maximum extent practicable, please supply a copy of all unpublished speeches you made during the past five years on issues involving agriculture, nutrition, forestry or commodity futures policy or related matters.

    None. (Note: I have given speeches on agriculture, rural development, farm credit and on politics in general. No copies of such speeches exist.)

12. Health: What is the present state of your health?

    Good.

FINANCIAL DATA AND CONFLICT OF INTEREST (PUBLIC)

1. Have you severed all connections with your immediate past private sector employers, business firms, associations, and/or organizations?

   No. See answer to question #12 RE: Bion.

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, uncompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services, firm memberships, former employers, clients, or customers.

   None.

3. Do you, or does any partnership or closely held corporation in which you have an interest, own or operate a farm or ranch? (If yes, please give a brief description including location, size and type of operation.)

   No.

4. Have you, or any partnership or closely held corporation in which you have an interest, ever participated in Federal commodity price support programs? (If yes, provide all details including amounts of direct government payments and loans received or forfeited by crop and farm, etc. during the past five years.)

   No.

5. Have you, or any partnership or closely held corporation in which you have an interest, ever received a direct or guaranteed loan from or cosigned a note to the Rural Business-Cooperative Service, Rural Housing Service, the Rural Utilities Service or their predecessor agencies, the Farmers Home Administration, the Rural Development Administration, the Rural Housing and Cooperative Development Service or the Rural Electrification Administration? (If yes, give details of any such loan activity during the past 5 years.)

   No.

6. Have you, or any partnership or closely held corporation in which you have an interest, ever received payments for crop losses from the Federal Crop Insurance program? (If yes, give details.)

   No.

7. If confirmed, do you have any plans, commitments, or agreements to pursue outside employment or engage in any business or vocation, with or without compensation, during your service with the government? (If so, explain.)

   No.

8. Do you have any plans to resume employment, affiliation, or practice with your previous employers, business firms, associations, or organizations after completing government service? (If yes, give details.)

   No.

9. Has anyone made a commitment to employ you or retain your services in any capacity after you leave government service? (If yes, please specify.)

   No.

10. Identify all investments, obligations, liabilities, or other relationships which involve potential conflicts of interest in the position to which you have been nominated.

None.

11. Have you ever received a government guaranteed student loan? If so, has it been repaid?

Yes. Yes.

12. If confirmed, explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items.

I have listed the steps I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Commissioner for the Commodity Futures Trading Commission ("CFTC") in a letter to the Counsel and Alternate Designated Ethics Official within the Office of the General Counsel at the CFTC.

That letter notes that as required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my financial interests or those of any other person whose interests are imputed to me, unless I first obtain a written waiver pursuant to section 208(b)(1) or qualify for a regulatory exemption pursuant to section 208(b)(2). The letter also states that I understand that the interests of the following persons are imputed to me: my spouse and minor children; any general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

Further, should I be confirmed, I will resign my position as Chief of Staff of the Farmers Educational & Cooperative Union of America (otherwise known as the National Farmers Union, or NFU). Furthermore, for a period of one year after the termination date of my employment with my former employer NFU, I will not participate personally and substantially in any particular matter involving specific parties in which my former employer NFU is a party or represents a party, unless I am authorized to participate under 5 C.F.R. § 2635.502(d).

Pursuant to 5 C.F.R. 2635.502, I acknowledge that I have a "covered relationship" with NFU and also with any entity for which I have served as an agent or consultant within the past year.

Should I be confirmed, the letter states that I will resign my position as a member of the Board of Directors of Bion Environmental Technologies, Inc. Although I have been a member of the Board of Directors of Bion Environmental Technologies Inc., a for-profit organization, I have not received, nor will I accept, any compensation for any services to this organization. For a period of one year after my resignation, I will not participate personally and substantially in any particular matter involving specific parties, in which this organization is a party or represents a party under 5 C.F.R.§ 2635.502 (d).

Should I be confirmed, I will resign my position as a member of the Board of Directors of the Association of Family Farms. Although I have been a member of the Board of Directors of the Association of Family Farms, a non-profit organization, I have not received, nor will I accept, any compensation for any services to this organization. For a period of one year after my resignation, I will not participate personally and substantially in any particular matter involving specific parties, in which this organization is a party or represents a party under 5 C.F.R.§ 2635.502 (d).

To avoid any appearance of partiality, I will not within one year from the date of my confirmation participate in a particular CFTC matter -- including consideration of a particular CFTC regulation or the CFTC's position on proposed legislation -- if I have previously, within three years from the date of my confirmation, represented to the federal government on behalf of any private party, including NFU or its members, with respect to that same particular matter.

Finally, it is my understanding that there are no requirements that I sell current shares in VeraSun, a publicly-held ethanol company. However, to avoid any appearance of a conflict of interest, I will divest all of my shares in VeraSun within 90 days should I be confirmed.

United States
Office of Government Ethics
1201 New York Avenue, NW., Suite 500
Washington, DC 20005-3917

May 29, 2007

The Honorable Tom Harkin
Chairman
Committee on Agriculture, Nutrition,
and Forestry
United States Senate
Washington, DC 20510-6000

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Jill E. Sommers, who has been nominated by President Bush for the position of Commissioner, Commodity Futures Trading Commission.

We have reviewed the report and have also obtained advice from the Commodity Futures Trading Commission concerning any possible conflict in light of its functions and the nominee's proposed duties. Also enclosed is a letter dated May 23, 2007, from Ms. Sommers to the agency's ethics official, outlining the steps Ms. Sommers will take to avoid conflicts of interest. Unless a specific date has been agreed to, the nominee must fully comply within three months of her confirmation date with any action she agreed to take in her ethics agreement.

Based thereon, we believe that Ms. Sommers is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

Robert I. Cusick
Director

Enclosures

SF 278 (Rev. 03/2000)
5 C.F.R. Part 2634
U.S. Office of Government Ethics

Executive Branch Personnel PUBLIC FINANCIAL DISCLOSURE REPORT

Form Approved:
OMB No. 3209 - 0001

Date of Appointment, Candidacy, Election, or Nomination (Month, Day, Year)	Reporting Status (Check Appropriate Boxes)	Incumbent ☐	Calendar Year Covered by Report	New Entrant, Nominee, or Candidate ☒	Termination Filer ☐ Termination Date (If Applicable) (Month, Day, Year)
Reporting Individual's Name	Last Name: Sommers			First Name and Middle Initial: Jill E.	
Position for Which Filing	Title of Position: Commissioner			Department or Agency (If Applicable): Commodity Futures Trading Commission	
Location of Present Office (or Forwarding Address)	Address (Number, Street, City, State, and ZIP Code): * 1155 21st Street NW Washington DC 20581			Telephone No. (Include Area Code): 202-418-5000	
Position(s) Held with the Federal Government During the Preceding 12 Months (If Not Same as Above)	Title of Position(s) and Date(s) Held				
Presidential Nominees Subject to Senate Confirmation	Name of Congressional Committee Considering Nomination: Committee on Agriculture, Nutrition and Forestry			Do You Intend to Create a Qualified Diversified Trust? ☐ Yes ☒ No	
Certification: I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge.	Signature of Reporting Individual: J Sommers			Date (Month, Day, Year): 5/23/2007	
Other Review (If desired by agency)	Signature of Other Reviewer: [illegible]			Date (Month, Day, Year): 05-23-2007	
Agency Ethics Official's Opinion: On the basis of information contained in the report, I conclude that the filer is in compliance with applicable laws and regulations (subject to any comments in the box below).	Signature of Designated Agency Ethics Official/Reviewing Official: Tony S. Quith			Date (Month, Day, Year): 5.27.07	
Office of Government Ethics Use Only	Signature: Robert I. Cusick			Date (Month, Day, Year): 5/29/07	

Comments of Reviewing Officials (If additional space is required, use the reverse side of this sheet)

*Added by REM on 05.22.07 per John Dolan's request.

(Check box if filing extension granted & indicate number of days _____) ☐

(Check box if comments are continued on the reverse side) ☐

Fee for Late Filing

Any individual who is required to file this report and does so more than 30 days after the date the report is required to be filed, or, if an extension is granted, more than 30 days after the last day of the filing extension period, shall be subject to a $200 fee.

Reporting Periods

Incumbents: The reporting period is the preceding calendar year except Part II of Schedule C and Part I of Schedule D where you must also include the filing year up to the date you file. Part II of Schedule D is not applicable.

Termination Filers: The reporting period begins at the end of the period covered by your previous filing and ends at the date of termination. Part II of Schedule D is not applicable.

Nominees, New Entrants and Candidates for President and Vice President:

Schedule A--The reporting period for income (BLOCK C) is the preceding calendar year and the current calendar year up to the date of filing. Value assets as of any date you choose that is within 31 days of the date of filing.

Schedule B--Not applicable.

Schedule C, Part I (Liabilities)--The reporting period is the preceding calendar year and the current calendar year up to any date you choose that is within 31 days of the date of filing.

Schedule C, Part II (Agreements or Arrangements)--Show any agreements or arrangements as of the date of filing.

Schedule D--The reporting period is the preceding two calendar years and the current calendar year up to the date of filing.

Agency Use Only

OGE Use Only

MAY 23 2007

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SF 278 (Rev. 03/2000)
5 C.F.R. Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name: Sommers, Jill E.

SCHEDULE A

Page Number 2 of 8

Assets and Income — BLOCK A

For you, your spouse, and dependent children, report each asset held for investment or the production of income which had a fair market value exceeding $1,000 at the close of the reporting period, or which generated more than $200 in income during the reporting period, together with such income.

For yourself, also report the source and actual amount of earned income exceeding $200 (other than from the U.S. Government). For your spouse, report the source but not the amount of earned income of more than $1,000 (except report the actual amount of any honoraria over $200 of your spouse).

None ☐

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

	Assets and Income (Block A)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
Examples	Central Airlines Common				x												x						x										
	Doe Jones & Smith, Hometown, State			x																												Law Partnership Income $10,000	
	Kempstone Equity Fund					x								x										x									
	IRA Heartland 500 Index Fund							x						x											x								
1	J/General Electric		X														X				X												
2	J/Intel Corp		X														X				X												
3	J/J.P. Morgan Chase		X														X				X												
4	J/Kayne Anderson MLP Invt		X											X			X				X												
5	J/Microsoft Corp		X														X				X												
6	J/Lord Abbett Affiliated Funds		X											X			X					X											

* This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children, mark the other higher categories of value, as appropriate.

Prior Editions Cannot Be Used

OGE/AMV Annual Issue LT 1995

SF 278 (Rev. 03/2000)
5 C.F.R. Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name: Sommers, Jill E.

SCHEDULE A continued
(Use only if needed)

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

#	Assets and Income (Block A)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
1	J/Legg Mason Partners Large Cap Growth Fund		X											X			X					X											
2	Avaya Inc	X															X				X												
3	Coca Cola Co		X														X				X												
4	E-Trade Financial Corp		X														X				X												
5	General Electric Co		X														X				X												
6	JP Morgan Chase Co		X														X				X												
7	Lucent Technologies	X															X				X												
8	Starbucks Corp		X														X				X												
9	Dreyfus Premier Strategic Value Fund		X											X			X				X												

* This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children, mark the other higher categories of value, as appropriate.

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Reporting Individual's Name:

SCHEDULE A continued
(Use only if needed)

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

#	Assets and Income (Block A)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
1	Legg Mason Partners Aggressive Growth		X											X			X				X												
2	Legg Mason Partners Large Cap Growth Fund			X										X			X					X											
3	Lord Abbett Affiliated Fund			X										X			X					X											
4	Morgan Stanley S&P Index Fund		X											X			X				X												
5	Templeton Growth Fund			X										X			X					X											
6	Merrill Lynch & Co Medium Term Note		X																X		X												
7	San Bernardino Co CA Fin Au Pension Obl		X																X		X												
8	Kern City CA Pension Obl		X																X		X												
9	Harrisburg PA Redev Author Rev		X																X		X												

* This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children, mark the other higher categories of value, as appropriate.

Prior Editions Cannot Be Used.

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SF 278 (Rev. 01/2000)
5 C.F.R. Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name

SCHEDULE A continued
(Use only if needed)

Assets and Income — BLOCK A

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

#	Assets and Income (Block A)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
1	Citibank Bank Deposit Savings		X																X		X												
2	J/Citibank Bank Deposit Savings			X															X		X												
3	Chicago Mercantile Exchange	X																		X					X								
4	Chvey Chase Bank Savings	X																	X		X												
5	Chevy Chase Bank Checking	X																	X		X												
6	J/Congressional Federal Credit Union Checking		X																X		X												
7	J/Congressional Federal Credit Union Savings		X																X		X												
8	International Swaps and Derivatives Association																															SalSev $88,891.00	
9																																	

* This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children, mark the other higher categories of value, as appropriate.

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5 C.F.R. Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name: Sommers, Jill E

SCHEDULE A

Page Number 6 of 8

Assets and Income — BLOCK A

For you, your spouse, and dependent children, report each asset held for investment or the production of income which had a fair market value exceeding $1,000 at the close of the reporting period, or which generated more than $200 in income during the reporting period, together with such income.

For yourself, also report the source and actual amount of earned income exceeding $200 (other than from the U.S. Government). For your spouse, report the source but not the amount of earned income of more than $1,000 (except report the actual amount of any honoraria over $200 of your spouse).

None ☐

Valuation of Assets at close of reporting period — BLOCK B

Income: type and amount. If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. — BLOCK C

	Assets and Income	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Excepted Investment Fund	Excepted Trust	Qualified Trust	Type: Dividends	Type: Rent and Royalties	Type: Interest	Type: Capital Gains	Amount: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	Over $5,000,000	Other Income (Specify Type & Actual Amount)	Date (Mo., Day, Yr.) Only if Honoraria
Examples	Central Airlines Common				x												x						x										
	Doe Jones & Smith, Hometown, State			x																												Law Partnership Income $130,000	
	Kempstone Equity Fund					x								x										x									
	IRA: Heartland 500 Index Fund							x						x											x								
1	S/American Funds VCSP College America Funds Include:			X										X							X												
2	1. Euro Pacific Growth Fund 2. The Growth Fund of America																																
3	3. SMALLCAP World Fund 4. Investment Comapny of America																																
4																																	
5																																	
6																																	

* This category applies only if the asset/income is solely that of the filer's spouse or dependent children. If the asset/income is either that of the filer or jointly held by the filer with the spouse or dependent children, mark the other higher categories of value, as appropriate.

Prior Editions Cannot Be Used

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5 C.F.R. Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name
Sommers, Jill E

SCHEDULE C

Page Number 7 of 8

Part I: Liabilities

Report liabilities over $10,000 owed to any one creditor at **any time** during the reporting period by you, your spouse, or dependent children. Check the highest amount owed during the reporting period. **Exclude** a mortgage on your personal residence unless it is rented out; loans secured by automobiles, household furniture or appliances; and liabilities owed to certain relatives listed in instructions. See instructions for revolving charge accounts.

None ☒

	Creditors (Name and Address)	Type of Liability	Date Incurred	Interest Rate	Term if applicable	Category of Amount or Value (x): $10,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
Examples	First District Bank, Washington, DC	Mortgage on rental property, Delaware	1991	8%	25 yrs.			x								
	John Jones, 123 St., Washington, DC	Promissory note	1999	10%	on demand					x						
1																
2																
3																
4																
5																

*This category applies only if the liability is solely that of the filer's spouse or dependent children. If the liability is that of the filer or a joint liability of the filer with the spouse or dependent children, mark the other higher categories, as appropriate.

Part II: Agreements or Arrangements

Report your agreements or arrangements for: (1) continuing participation in an employee benefit plan (e.g. pension, 401k, deferred compensation); (2) continuation of payment by a former employer (including severance payments); (3) leaves of absence; and (4) future employment. See instructions regarding the reporting of negotiations for any of these arrangements or benefits.

None ☒

	Status and Terms of any Agreement or Arrangement	Parties	Date
Example	Pursuant to partnership agreement, will receive lump sum payment of capital account & partnership share calculated on service performed through 1/00	Doe Jones & Smith, Hometown, State	7/85
1			
2			
3			
4			
5			
6			

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SF 278 (Rev. 03/2000)
5 C.F.R. Part 2634
U.S. Office of Government Ethics

Reporting Individual's Name: Sommers, Jill E.

SCHEDULE D

Part I: Positions Held Outside U.S. Government

Report any positions held during the applicable reporting period, whether compensated or not. Positions include but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. **Exclude** positions with religious, social, fraternal, or political entities and those solely of an honorary nature.

None ☐

	Organization (Name and Address)	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Examples	Nat'l Assn. of Rock Collectors, NY, NY	Non-profit education	President	6/92	Present
	Doe Jones & Smith, Hometown, State	Law firm	Partner	7/85	1/00
1	International Swaps and Derivatives Association	trade association	Director	08/2005	08/2006
2					
3					
4					
5					
6					

Part II: Compensation in Excess of $5,000 Paid by One Source

Report sources of more than $5,000 compensation received by you or your business affiliation for services provided directly by you during any one year of the reporting period. This includes the names of clients and customers of any corporation, firm, partnership, or other business enterprise, or any other non-profit organization when you directly provided the services generating a fee or payment of more than $5,000. You need not report the U.S. Government as a source.

Do not complete this part if you are an Incumbent, Termination Filer, or Vice Presidential or Presidential Candidate.

None ☐

	Source (Name and Address)	Brief Description of Duties
Examples	Doe Jones & Smith, Hometown, State	Legal services
	Metro University (client of Doe Jones & Smith), Hometown, State	Legal services in connection with university construction
1	International Swaps and Derivatives Associaiton	professional services
2		
3		
4		
5		
6		

Prior Editions Cannot Be Used

OGE Adobe Acrobat version 1.0 (01)

May 23, 2007

Mr. John P. Dolan
Counsel and
Alternate Designated Ethics Official
Office of the General Counsel
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, D.C. 20581

Dear Mr. Dolan:

This letter describes the steps I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Commissioner for the Commodity Futures Trading Commission ("CFTC").

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my financial interest or those of any person whose interests are imputed to me, unless I first obtain a written waiver pursuant to section 208(b)(1) or qualify for a regulatory exemption pursuant to section 208(b)(2). I understand that the interests of the following persons are imputed to me: my spouse and minor children; any general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

I have divested my holdings in the Chicago Mercantile Exchange because ownership of this stock is a prohibited interest pursuant to the CFTC's Regulation Concerning Conduct of Members and Employees and Former Members and Employees of the Commission, 17 C.F.R. § 140.735-2a(b)(1).

Pursuant to 5 C.F.R. § 2635.502, I acknowledge that I have a "covered relationship" with my former employer, the International Swaps and Derivatives Association, Inc. ("ISDA"), and also with any entity for which I have served as an agent or consultant within the past year. Accordingly, for a period of one year after the termination date of my employment with ISDA, I will not participate personally and substantially in any particular matter involving specific parties in which ISDA is a party or represents a party, unless I am authorized to participate.

To avoid any appearance of partiality, I will not within one year of the date of my confirmation participate in a particular CFTC matter—including consideration of a particular CFTC regulation or the CFTC's position on proposed legislation—if I have, within three years of the date of my confirmation, represented to the federal government on behalf of any private party, including ISDA or its members, with respect to that same particular matter.

Sincerely,

Jill E. Sommers

BIOGRAPHICAL INFORMATION (PUBLIC)

1. Full name (include any former names used).

Jill Elaine (Maycumber-maiden) Sommers

2. Date and place of birth.

November 17, 1968 Fort Scott, Kansas

3. Marital Status (include maiden name of wife or husband's name). List spouse's occupation, employer's name and business address(es).

Married to Michael J. Sommers – Policy Director for Republican Leader John Boehner, US Capitol

4. Education: List each college and graduate or professional school you have attended, including dates of attendance, degrees received, and dates degrees were granted.

University of Oregon 1987-1988
University of Kansas 1988-1991
Bachelor of Arts Degree awarded December of 2005
(Course work completed in 1991)

5. Employment Record: List (by year) all business or professional corporations, companies, firms, or other enterprises, partnerships, institutions and organizations, nonprofit or otherwise, including farms, with which you were connected as an officer, director, partner, proprietor, or employee since graduation from college; include a title and brief job description.

Office of Senator Robert J. Dole (R-KS)
Intern - January 1991-May 1991 - Washington DC
Receptionist – May 1991-August 1992 - Washington DC
Regional Representative – August 1992-November 1994
Pittsburg, Kansas/Topeka, Kansas
Represented the Senator at various functions and assisted constituents with various requests and issues regarding the federal government.
Assistant to the Administrative Assistant - Washington DC
November 1994-August 1995
Assisted the AA in managing a staff of 25 legislative assistants and correspondents

Clark & Muldoon, P.C. - August 1995-February 1998

Legislative Assistant
Assisted two attorneys with agricultural related client business as well as general office management.

Taggart & Associates - March 1998–August 1998
Senior Associate
Principal contact for clients with legislative concerns on issues such as agriculture, health care, and telecommunications

Chicago Mercantile Exchange
Manager, Legislative and Regulatory Affairs – August 1998-January 2001
Associate Director, Government Affairs – January 2001-March 2004
Primarily responsible for monitoring regulatory matters pending before the federal government. Accompanied Members of Congress, Administration officials and congressional staff to Chicago as part of the CME educational visitation program.

International Swaps and Derivatives Association
August 2005 – August 2006
Policy Director and Head of US Government Affairs
Principal contact in Washington DC for ISDA member firms on a variety of over-the-counter derivatives issues.

6. Military Service: Have you had any military service? If so, give particulars, including the dates, branch of service, rank or rate, serial number and type of discharge received.

None

7. Government Service: State (chronologically) your government service or public offices you have held, including the terms of service grade levels and whether such positions were elected or appointed.

Office of Senator Robert J. Dole 1991-1995

8. Honors and Awards: List any scholarships, fellowships, honorary degrees, and honorary society memberships that you received and believe would be of interest to the Committee.

None

9. Political Affiliation: The statute creating the Commodity Futures Trading Commission requires that no more than three members be from the same political party. List your current political party registration or affiliation.

Republican

10. Other Memberships: List all organizations to which you belong, excluding religious organizations.

Kansas Society of Washington DC

11. Published Writings: List the titles, publishers, and dates of books, articles, reports, or other published materials (including published speeches) you have written. Please include on this list published materials on which you are listed as the principal editor. It would be helpful to the Committee if you could provide one copy of all published material that may not be readily available. Also, to the maximum extent practicable, please supply a copy of all unpublished speeches you made during the past five years on issues involving agriculture, nutrition, forestry or commodity futures policy or related matters.

None

12. Health: What is the present state of your health?

Excellent

FINANCIAL DATA AND CONFLICT OF INTEREST (PUBLIC)

1. Have you severed all connections with your immediate past private sector employers, business firms, associations, and/or organizations?

Yes

2. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, uncompleted contracts and other future benefits which you expect to derive from previous business relationships, professional services, firm memberships, former employers, clients, or customers.

None

3. Do you, or does any partnership or closely held corporation in which you have an interest, own or operate a farm or ranch? (If yes, please give a brief description including location, size and type of operation.)

No

4. Have you, or any partnership or closely held corporation in which you have an interest, ever participated in Federal commodity price support programs? (If yes, provide all details including amounts of direct government payments and loans received or forfeited by crop and farm, etc. during the past five years.)

No

5. Have you, or any partnership or closely held corporation in which you have an interest, ever received a direct or guaranteed loan from or cosigned a note to the Rural Business-Cooperative Service, Rural Housing Service, the Rural Utilities Service or their predecessor agencies, the Farmers Home Administration, the Rural Development Administration, the Rural Housing and Cooperative Development Service or the Rural Electrification Administration? (If yes, give details of any such loan activity during the past 5 years.)

No

6. Have you, or any partnership or closely held corporation in which you have an interest, ever received payments for crop losses from the Federal Crop Insurance program? (If yes, give details.)

No

7. If confirmed, do you have any plans, commitments, or agreements to pursue outside employment or engage in any business or vocation, with or

without compensation, during your service with the government? (If so, explain.)

No

8. Do you have any plans to resume employment, affiliation, or practice with your previous employers, business firms, associations, or organizations after completing government service? (If yes, give details.)

No

9. Has anyone made a commitment to employ you or retain your services in any capacity after you leave government service? (If yes, please specify.)

No

10. Identify all investments, obligations, liabilities, or other relationships which involve potential conflicts of interest in the position to which you have been nominated.

None

11. Have you ever received a government guaranteed student loan? If so, has it been repaid?

Yes. Yes.

12. If confirmed, explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items.

Not applicable

Questions submitted by Chairman Tom Harkin,
U. S. Senate Committee on Agriculture, Nutrition and Forestry
to CFTC Nominees Bart Chilton and Jill Sommers

Responses of Nominee Bart Chilton:

(1) Do you believe that it is possible for speculation on energy exchanges to affect the price of energy commodities like oil and natural gas?

Yes. Market prices may be affected by many factors, including speculative trading activity by market participants. While speculators are necessary and vital participants in the futures and options markets, [redacted] In addition, the Commission should review speculative trading activity to protect the integrity of the price discovery process, promote market transparency and liquidity, and protect against fraud and manipulation in the marketplace.

(2) Do you believe that trading of energy commodities on the Intercontinental Exchange (ICE) can affect energy prices on the New York Mercantile Exchange (NYMEX)?

Yes. Testimony from several witnesses at the recent hearing before the Senate Permanent Subcommittee on Investigations indicates that the prices of similar energy transactions on ICE and NYMEX are highly correlated, up until the last one-half hour of trading. Accordingly, given this correlation, it is reasonable to assert that trading on one entity may affect the pricing of transactions on the other entity.

(3) The Commodity Exchange Act (CEA) requires the CFTC to impose trading limits to prevent "excessive speculation."

(a) Has the CFTC provided adequate guidance and criteria for exchanges to detect and prevent excessive speculation in the energy commodity markets?

Pursuant to the Congressional directive to enact regulations to address excessive speculation, the CFTC has promulgated regulations and guidance requiring exchanges to have in place position limits or accountability levels as appropriate to address trading activity that may result in undue or unwarranted price movements in the marketplace. Violations of these exchange rules is a violation of the Commodity Exchange Act, and the Commission actively monitors the markets for such conduct. In addition, for a limited number of commodities, the Commission also surveys the markets for compliance with federal speculative position limits.

(b) The June 2007 report issued by the Permanent Subcommittee on Investigations on excessive speculation concludes that it is difficult, if not

BART CHILTON
6/27/07

impossible, for NYMEX to prevent excessive speculation from distorting NYMEX prices, unless the CFTC has authority to limit speculative trading on ICE as well as NYMEX, since under current law traders can trade on ICE without any regulatory oversight or limits and ICE energy trading can affect NYMEX prices. Would you support giving the CFTC authority to limit excessive speculation on ICE?

Yes. At the same time it is also important to note that, if Congress determines to give the CFTC additional oversight responsibilities, additional funds to carry out these critical functions should be appropriated to the agency.

(4) Earlier in 2007, ICE began supplying the CFTC with daily information about trades that take place on the exchange. The CFTC used its "special call" authority to obtain this information from ICE. Some have questioned the CFTC's authority to obtain this information. Would you support the CFTC's continuing to use its special call authority to obtain daily trading information from ICE? Would you support legislation confirming CFTC authority to require ICE to provide this daily trading information?

Yes, I support the CFTC's use of its special call authority with regard to exempt commercial markets, and would support legislation confirming this authority.

(5) Earlier this month, the CFTC issued a proposed rule that would require traders on a regulated exchange, if requested by a regulator, to disclose their holdings on unregulated markets. The CFTC indicated that regulators need to be able to obtain a complete picture of a trader's holdings in order to prevent market manipulation and excessive speculation. Do you support this proposed rule, and why?

Without prejudging the final outcome of the proposed rule, I support the CFTC's current proposal to obtain information regarding traders' positions in the marketplace. This rule will give the Commission the ability to get a complete picture of a trader's market position, and help protect against trading activity that may result in possible manipulations or in undue price changes in the markets.

BART CHILTON
6/27/07

Questions submitted by Chairman Tom Harkin,
U. S. Senate Committee on Agriculture, Nutrition and Forestry
to CFTC Nominees Bart Chilton and Jill Sommers

(1) Do you believe that it is possible for speculation on energy exchanges to affect the price of energy commodities like oil and natural gas?

Answer: *Yes. [redacted] They are willing to accept the price risk that hedgers of commodities want to rid themselves of.*

(2) Do you believe that trading of energy commodities on the Intercontinental Exchange (ICE) can affect energy prices on the New York Mercantile Exchange (NYMEX)?

Answer: [redacted] *From my experience around such markets, I would suspect that there could be arbitrage between the two that could affect prices and could also be beneficial to the volume and liquidity on both exchanges. Participants in both markets presumably process information on supply and demand, recent actual price movements and their expectations of future price movements, and other factors, in their trading.*

(3) The Commodity Exchange Act (CEA) requires the CFTC to impose trading limits to prevent "excessive speculation."

> (a) Has the CFTC provided adequate guidance and criteria for exchanges to detect and prevent excessive speculation in the energy commodity markets?

Answer: *It is my understanding that all Designated Contract Markets (DCMs) like NYMEX that are subject to the oversight of the CFTC are required to ensure that the contracts they offer are not readily susceptible to manipulation.* [redacted] *I also understand that the CFTC periodically reviews all of these limits during a thorough evaluation of each DCM's rules.*

> (b) The June 2007 report issued by the Permanent Subcommittee on Investigations on excessive speculation concludes that it is difficult, if not impossible, for NYMEX to prevent excessive speculation from distorting NYMEX prices, unless the CFTC has authority to limit speculative trading on ICE as well as NYMEX, since under current law traders can trade on ICE without any regulatory oversight or limits and ICE energy trading can affect NYMEX prices. Would you support giving the CFTC authority to limit excessive speculation on ICE?

Answer: *I would respectfully have to defer to the expertise of the Division of Market Oversight (DMO) for more specific information about this question. I understand DMO's market surveillance staff routinely receives "large trader position reports" from DCMs that are used to monitor positions that could hamper the orderly expiration of contract months. I think it would be useful to examine in detail any effects that trading on exempt markets may have on contracts traded on DCMs. It is important to the agency's core mission to be able to prevent manipulation of the regulated markets. But I believe any conclusions should be carefully considered to prevent unintended consequences to the U.S. marketplace.*

(4) Earlier in 2007, ICE began supplying the CFTC with daily information about trades that take place on the exchange. The CFTC used its "special call" authority to obtain this information from ICE. Some have questioned the CFTC's authority to obtain this information. Would you support the CFTC's continuing to use its special call authority to obtain daily trading information from ICE? Would you support legislation confirming CFTC authority to require ICE to provide this daily trading information?

Answer: *My understanding is that the CFTC does have the authority under the CEA to obtain this information, and that ICE did not challenge this authority. I certainly support the continued use of this special call authority to allow the CFTC market surveillance economists to monitor this trading activity. If the CFTC ever believes there is a credible challenge, I would encourage my colleagues to seek a statutory clarification.*

(5) Earlier this month, the CFTC issued a proposed rule that would require traders on a regulated exchange, if requested by a regulator, to disclose their holdings on unregulated markets. The CFTC indicated that regulators need to be able to obtain a complete picture of a trader's holdings in order to prevent market manipulation and excessive speculation. Do you support this proposed rule, and why?

Answer: *Yes, I support this proposed rule. My understanding is that the proposed rule does not create a new requirement but rather is designed to clarify the underlying regulation and the commission's longstanding view that this authority is a necessary part of their oversight role.*

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