

Harkin plans to support

From: Gary Gensler

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Subject: Harkin plans to support

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Hillary,

My Senate confirmation hearing today went well. Senator Harkin said afterward that he planned to poll the committee shortly but saw no opposition at this time and would try to schedule a committee vote next week. The newswire story below suggest his support now.

Senators Mikulski & Cardin along with former Senator Sarbanes introduced me today.

Off the Committee, both Senators Feinstein and Senator Levin have signaled their support as well.

Your call to Senator Harkin and following your specific advice on how to address my past in the Clinton Administration was of the greatest help.

Thank you once again for all of your support.

Gary

Sen. Harkin Plans To Support CFTC Nominee Gensler

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By Sarah N. Lynch
Of DOW JONES NEWSWIRES

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WASHINGTON (Dow Jones)--Senate Agriculture Chairman Tom Harkin signaled Wednesday that he intends to support the nomination of Gary Gensler to chair the U.S. Commodity Futures Trading Commission despite some lingering concerns. Harkin's support came after Gensler, at a hearing Wednesday, sought to reassure the Iowa Democrat and other senators on the panel that his views on swaps regulation have evolved since his tenure at the Treasury Department during the Clinton administration.

"I think that Mr. Gensler was very forthright in saying his views have changed over the years," Harkin said. "I will be polling the committee, but I don't expect any opposition. I assume that we will be moving his name forward." If the committee approves Gensler's nomination, Gensler will face a confirmation vote from the full Senate.

Harkin had previously raised concerns about Gensler's involvement in talks over the Commodity Futures Modernization Act, passed in 2000, which deregulated swaps. At the time, Gensler was a senior Treasury official.

Harkin hit Gensler with a tough first question at Gensler's confirmation hearing Wednesday, recalling testimony Gensler gave in 1999. Quoting Gensler as saying he "positively, unambiguously" agreed with former Treasury Secretary Lawrence Summers in opposing additional regulations for over-the-counter derivatives, Harkin pressed Gensler on whether or not his beliefs have changed.

Gensler responded: "Looking back now, it is clear to me that all of us that were involved at the time, and certainly myself, should have done more to protect the American public through aggressive regulation."

"We should have fought harder for some of the things we raised with Congress at the time," he added.

Since President Barack Obama first nominated Gensler to the CFTC late last year, Gensler has worked hard behind the scenes to convince Harkin and other lawmakers that he would be a tough regulator if confirmed as the agency's chairman. Gensler has said he didn't participate in discussions on the Commodity Futures Modernization Act at certain times in 1998, when he was recused, but he did get involved after that recusal period expired.

His efforts have paid off in winning over key lawmakers like Sen. Dianne Feinstein, D-Calif., who has been critical of the CFTC's oversight in the past. Feinstein indicated late Tuesday that she plans to support the nomination.

Sens. Benjamin Cardin and Barbara Mikulski, both Democrats from Gensler's home state of Maryland, also urged the Senate Agriculture Committee to support Gensler on Wednesday.

Responding to questions from the committee, Gensler said that he wished he had fought harder for uniform regulation for all physical commodities when he served at Treasury. At the time, he said, those in favor of uniform regulations were unable to get it into the legislation. If confirmed, Gensler pledged to take the issue up again.

He also said he would support a regulatory regime for derivatives dealers. As an example of why such reforms are needed, he cited the unit at American International Group (AIG) which issued credit-default swaps without having the collateral

