

Congress of the United States
Washington, DC 20515

May 22, 2024

The Honorable Gary Gensler
Chairman
U.S. Securities and Exchange Commission
100 F Street NE
Washington D.C. 20549

Dear Chairman Gensler:

The approval of spot Bitcoin exchange-traded products (ETP) represents a pivotal moment for both digital assets and our financial markets.¹ First, Bitcoin ETPs offer investors a regulated and transparent investment vehicle to gain exposure to Bitcoin. The Securities and Exchange Commission (Commission)'s recognition of Bitcoin ETPs is a positive step and one in which we trust the Commission will continue for other digital asset ETPs.

Approving Bitcoin ETPs demonstrates the Commission fidelity to its mission to protect investors as well as the need to embrace the modern financial market. These approvals will set a strong foundation, ensuring that investor protection remains paramount. The SEC's ongoing market surveillance and enforcement of the federal securities laws will no doubt mitigate concerns about potential market manipulation and other violative activity. We believe the transparency and reporting requirements of ETPs will help facilitate these efforts, as well as allow investors to continue to make informed decisions.

We urge the Commission to maintain a consistent and equitable approach when reviewing upcoming applications for other digital asset-backed ETPs. Specifically, the Commission should apply the same principles set forth in the approval of the spot Bitcoin ETPs as it evaluates the pending Ether ETP applications as the legal considerations pertinent to Bitcoin also apply to Ether.² With the Commission's actions earlier this year, it seems a natural

¹ See Gensler, G. "Statement on the Approval of Spot Bitcoin Exchange-Traded Products," *U.S. Securities and Exchange Commission*, January 10, 2024.

² Several market participants have conducted correlation analyses for spot Ether ETPs using the methodology relied upon by the Commission in its order approving spot Bitcoin ETPs. These correlation analyses have found similarly high correlation between the prices of spot Ether/CME Ether futures as was found by the Commission between spot bitcoin/CME bitcoin futures. See e.g., Coinbase Global, Inc., Comment Letter on Order Instituting Proceedings to Determine Whether to Approve or Disapprove a Proposed Rule Change to List and Trade Shares of the Grayscale Ethereum Trust (Feb. 21, 2024), at p. 20-22, *available at* <https://www.sec.gov/comments/sr-nysearca-2023-70/srnysearca202370-432799-1074283.pdf>; CF Benchmarks, Comment Letter on proposed rule change to list and trade shares of the Franklin Ethereum Trust (Mar. 2024) at p. 5-6, *available at* <https://www.sec.gov/comments/sr-cboebzx-2024-018/srcboebzx2024018-448899-1149882.pdf?ref=blog.cfbenchmarks.com>; NYSE Group Inc., proposed rule change to list and trade shares of Bitwise Ethereum ETF (Form 19b-4) (Mar. 28, 2024) at p. 17-19, *available at* <https://www.nyse.com/publicdocs/nyse/markets/nyse-arca/rule-filings/filings/2024/SR-NYSEArca-2024-31.pdf>.

progression that would not only demonstrate consistency in the Commission's application of its standards but would also affirm the legal reasoning that facilitated the spot Bitcoin ETPs decision. We encourage the Commission to continue enabling and embracing financial innovation while ensuring the full protection of the federal securities laws for investors.

Sincerely,



French Hill
Member of Congress



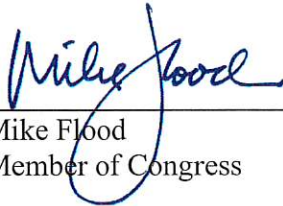
Josh Gottheimer
Member of Congress



Tom Emmer
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