



## Consumer Federation of America

February 28, 2012

The Honorable Frank D. Lucas  
Chairman  
Agriculture Committee  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Collin C. Peterson  
Ranking Member  
Agriculture Committee  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Chairman Lucas and Ranking Member Peterson:

As the U.S. House of Representatives begins its consideration of the fiscal year 2013 federal budget, I am writing on behalf of Consumer Federation of America to urge you to support full funding for the Commodity Futures Trading Commission (CFTC) at the \$308 million level called for in President Obama's proposed fiscal year 2013 budget. No one knows better than members of this committee what a vital role the CFTC plays not only in protecting the integrity and stability of our financial markets, but also in ensuring that our commodity and futures markets function safely and efficiently for the many businesses who rely on those markets to hedge their business risks. Without a very substantial funding increase, the CFTC simply cannot fulfill those responsibilities.

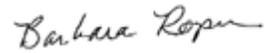
As you know, the CFTC's workload was growing rapidly even before Congress gave it responsibility for overseeing the vast over-the-counter swaps market. With the addition of those new swaps market responsibilities, the agency has experienced an eight-fold increase in the notional value of the markets it supervises. Meanwhile, the challenge of overseeing those markets has grown as the complexity of financial products, the global reach of the marketplace, and the technological innovations have all overwhelmed the CFTC's capacity to keep pace. We urge you to rectify that imbalance before another financial crisis is upon us.

The \$308 million budget request for the CFTC represents a modest investment in market stability given the vast size of the markets this agency is responsible for overseeing and the huge potential for losses when that regulation fails. For members who worry that even this small investment is unaffordable, the President has put forward a plan for funding the agency through user fees with absolutely no impact on the federal deficit. Because of the disparity between the size of the market and the size of the agency, any such fees could be set at such a minimal level that they would have no measurable impact on the market. Regardless of what funding mechanism you choose, however, what is important is that the CFTC receive the resources it needs to fulfill the responsibilities entrusted to it by Congress.

Americans today continue to suffer the lingering consequences of a financial crisis brought about in large part by weak and ineffective financial regulation. Indeed, much of the

fiscal troubles the nation now faces are the direct result of that financial crisis. Full funding for the CFTC must be a central component of any plan to protect our financial system and the overall economy from similarly devastating shocks in the future. We urge you to lend your support to the President's \$308 million proposed budget for this tiny but vital agency.

Respectfully submitted,



Barbara Roper  
Director of Investor Protection

Cc: The Honorable Harold Rogers  
The Honorable Norm Dicks  
The Honorable Jack Kingston  
The Honorable Sam Farr  
Members, House Agriculture Committee  
Members, House Appropriations Committee