

# **COMMODITY MARKETS OVERSIGHT COALITION**

**An Alliance of Commodity Derivatives End-Users and Consumers**

September 25, 2013

The Hon. Robert B. Aderholt  
Subcommittee on Agriculture, Rural  
Development, Food and Drug  
Administration, and Related Agencies  
U.S. House Committee on Appropriations  
The Capitol Building, Room H-307  
Washington, D.C. 20515

The Honorable Sam Farr  
Subcommittee on Agriculture, Rural  
Development, Food and Drug  
Administration, and Related Agencies  
U.S. House Committee on Appropriations  
The Capitol Building, Room H-307  
Washington, D.C. 20515

The Hon. Tom Udall, Chairman  
Subcommittee on Financial Services  
U.S. Senate Committee on Appropriations  
The Capitol Building, Room S-128  
Washington, DC 20510

The Honorable Mike Johanns, Ranking Member  
Subcommittee on Financial Services  
U.S. Senate Committee on Appropriations  
The Capitol Building, Room S-128  
Washington, DC 20510

## **Re: Fiscal Year 2014 Appropriation for the Commodity Futures Trading Commission**

Dear Chairmen Aderholdt and Udall and Ranking Members Farr and Johanns:

The undersigned members of the Commodity Markets Oversight Coalition (CMOC) write in continued support of funding for the Commodity Futures Trading Commission (CFTC) and, in specific, in support of programming flexibility for the CFTC in any continuing resolution.

CMOC is a non-partisan alliance of industry groups and other organizations that represent commodity-dependent American businesses, end-users, and consumers. Our members rely on functional, transparent and competitive commodity derivatives (i.e., futures, options and swaps) markets as a hedging and price discovery tool. As a coalition we favor policies that promote market stability and confidence, prevent fraud and manipulation, and preserve the interests of *bona fide* hedgers and American consumers.

Congress tasked the historically under-funded CFTC with the mission of preserving the integrity of the commodity derivatives markets and protecting market participants and the general public from fraud, manipulation and disruptive trading practices. In the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, Congress gave CFTC oversight responsibility for the over-the-counter swaps markets. As a result, the CFTC must now monitor roughly \$300 trillion dollars in annualized trading activity, an increase of 5,000 percent in the dollar volume of transactions over which it has oversight responsibilities.

However, under a continuing resolution being considered by Congress, the agency would be required to operate at an annualized spending rate of \$194.6 million—less than was appropriated for the agency immediately after the Dodd-Frank Act's enactment. It is also far less than the \$315 million requested by the President and the agency itself. The Senate is considering a permanent appropriations bill, S. 1371, which would meet this funding request.

We support the President's funding request and S. 1371, believing the funding level would provide the resources necessary to continue investments in information technology, while ensuring that the CFTC has the human capital necessary to execute its responsibilities. We nonetheless understand that Congress may not meet that request. The House has already passed legislation which would fund the CFTC at the \$194.6 million level. Therefore, we urge Congress to provide the CFTC with, at a minimum, the programming flexibility it needs to best allocate the limited resources afforded under a continuing resolution or under a permanent appropriations bill.

The CFTC needs funds and budgetary flexibility to implement derivative market reforms, enforce new and existing trading rules, and prosecute violations of the law. Doing so will help provide our industries, businesses and consumers with competitive, transparent and well-functioning commodity markets for years to come.

Thank you in advance for your consideration and support.

Sincerely,

Agriculture and Trade Policy  
American Public Gas Association  
American Public Power Association  
California Black Agriculture Working Group  
Colorado Petroleum Marketers Association  
Connecticut Energy Marketers Association  
Consumer Federation of America  
Florida Petroleum Marketers Association  
Fuel Merchants Association of New Jersey  
Gasoline and Automotive Service Dealers of America  
Industrial Energy Consumers of America  
Institute for Agriculture and Trade Policy  
Louisiana Oil Marketers & Convenience Store Association  
Maine Energy Marketers Association  
Massachusetts Energy Marketers Association  
Montana Petroleum Marketers & Convenience Store Association  
National Association of Oil & Energy Service Professionals  
National Association of Shell Marketers National Farmers Union  
New England Fuel Institute  
New Mexico Petroleum Marketers Association  
New York Oil Heating Association  
Oil Heat Council of New Hampshire  
Oil Heat Institute of Long Island  
Oil Heat Institute of Rhode Island  
Organization for Competitive Markets  
Petroleum Marketers & Convenience Store Association Kansas  
*Continued...*

Petroleum Marketers & Convenience Stores of Iowa  
Petroleum Marketers Association of America  
Ranchers-Cattlemen Action Legal Fund (R-CALF) USA  
Utah Petroleum Marketers and Retailers Association  
Vermont Fuel Dealers Association  
West Virginia Oil Marketers and Grocers Association  
Wyoming Petroleum Marketers Association

cc: The Honorable Dick Durbin, Senate Appropriations Subcommittee on Financial Services  
The Honorable Jerry Moran, Senate Appropriations Subcommittee on Financial Services  
The Honorable Debbie Stabenow, Chairwoman, Senate Committee on Agriculture  
The Honorable Thad Cochran, Ranking Member, Senate Committee on Agriculture  
The Honorable Frank Lucas, Chairman, House Committee on Agriculture  
The Honorable Collin C. Peterson, Ranking Member, House Committee on Agriculture  
The Honorable Harold Rogers, Chairman, House Committee on Appropriations  
The Honorable Nita Lowey, Ranking Member, House Committee on Appropriations  
The Honorable Gary Gensler, Chairman, Commodity Futures Trading Commission  
The Honorable Bart Chilton, Commissioner, Commodity Futures Trading Commission  
The Honorable Jill Sommers, Commissioner, Commodity Futures Trading Commission  
The Honorable Scott O'Malia, Commissioner, Commodity Futures Trading Commission  
The Honorable Mark Wetjen, Commissioner, Commodity Futures Trading Commission