

November 9, 2011

Senator Richard Durbin
711 Hart Senate Building
Washington DC, 20510

Representative Samuel Farr
1126 Longworth House Office Building
Washington DC, 20515

Senator Peter Moran
354 Russell Senate Building
Washington DC, 20510

Representative Jack Kingston
2372 Rayburn House Office Building
Washington, DC 20515

Dear Senators Durbin and Moran, and Congressmen Farr and Kingston:

On behalf of the undersigned organizations representing business, consumers, and labor, we urge you to support adequate funding for the Commodity Futures Trading Commission.

The CFTC role in oversight of financial markets is vital to businesses who use commodity markets to hedge bona fide business risks, vital to the economic well-being of American families who rely on affordable prices for products like gasoline and food, and vital to the stability of our overall financial system. The Dodd-Frank Act has recently greatly expanded the responsibilities of the CFTC in overseeing derivatives. The Act charges the CFTC with oversight of approximately \$280 trillion in previously unregulated domestic swaps markets, representing a more than seven-fold increase in the notional value of the market the CFTC must supervise. In addition, the CFTC has recently voted to impose vital new position limits in the commodity markets to prevent excessive speculation and possible manipulation in commodity markets.

In light of the importance of the CFTC's work, the vast increase in its responsibilities under the Dodd-Frank Act and the constant need to respond to trading technologies and practices, we would favor fully funding the President's request of \$308 million. This funding level is small in comparison with the size and significance of the markets to be supervised by the agency. However, failing this, it is crucial that the CFTC at least be given a significant increase in funding to address its enormous expansion in responsibilities.

The proposed House funding freeze at the prior year level of approximately \$170 million would leave the agency drastically underfunded. This funding level would jeopardize market stability and integrity, and threaten the confidence of market participants who use these markets for bona fide hedging purposes. It would make it effectively impossible to enforce new CFTC oversight on the previously unregulated derivatives market that contributed so directly to the catastrophic financial crisis of 2008. Effective enforcement of new limits on speculation that is fueling instability in commodity prices would also be impossible. In comparison, the Senate-approved level of \$240 million is a significantly more adequate level of funding.

Once again, we urge you to recognize the CFTC's significance to our nation's economy and fund the agency at a level which will make it possible for the agency to perform its responsibilities. The Senate-approved level of \$240 million is the minimum that should be considered.

Sincerely,

ActionAid USA
AFL-CIO
AFSCME
Air Transport Association
American Feed Industry Association
American Public Gas Association
American Public Power Association
American Trucking Associations
Americans for Financial Reform
California Black Farmers and Agriculturalists Association
California Independent Oil Marketers Association
CIP Americas Program.
Colorado Petroleum Marketers Association
Consumer Federation of America
Consumer Watchdog
Florida Petroleum Marketers Association
Food & Water Watch
Friends of the Earth
Gasoline & Automotive Service Dealers of America
Illinois Association of Convenience Stores
Illinois Petroleum Marketers Association
Independent Connecticut Petroleum Association
Institute for Agriculture and Trade Policy
Louisiana Oil Marketers and Convenience Store Association
Maine Energy Marketers Association
Maryknoll Office for Global Concerns
Massachusetts Oilheat Council
NAFA Fleet Management Association
National Association of Convenience Stores
National Association of Oil & Energy Service Professionals
National Association of Shell Marketers
National Association of Truck Stop Operators
National Farmers Union
National Latino Farmers & Ranchers Trade Association
New England Fuel Institute
New Rules for Global Finance
New York Oil Heating Association
North Dakota Petroleum Marketers Association
Oil Heat Institute of Long Island
Oilheat Institute of Rhode Island
Organization for Competitive Markets
Oxfam America
Petroleum Marketers and Convenience Store Association of Kansas
Petroleum Marketers and Convenience Stores of Iowa
Petroleum Marketers Association of America

Public Citizen
Ranchers-Cattlemen Action Legal Fund R-CALF USA
Sisters of St. Francis of Philadelphia
Society of Independent Gasoline Marketers of America
The Oakland Institute
The Swaps and Derivatives Market Association
U.S. PIRG
Vermont Fuel Dealers Association
Wyoming Petroleum Marketers Association

Cc:

Senator Barbara Mikulski
Senator Ben Nelson
Senator Daniel Inyoue
Senator Dianne Feinstein
Senator Herb Kohl
Senator John Hoeven
Senator Kay Bailey Hutchison
Senator Mark Pryor
Senator Mitch McConnell
Senator Patty Murray
Senator Richard Shelby
Senator Roy Blunt
Senator Sherrod Brown
Senator Susan Collins
Senator Thad Cochran
Senator Tim Johnson
Senator Tom Harkin
Representative Adam Schiff
Representative C.W. Bill Young
Representative Chaka Fattah
Representative David Price
Representative Ed Pastor
Representative Frank R. Wolf
Representative Hal Rogers
Representative Jerry Lewis
Representative Jo Ann Emerson
Representative Jo Bonner
Representative John Culberson
Representative John Olver
Representative John R. Carter
Representative Norm Dicks
Representative Robert B. Aderholt
Representative Rosa DeLauro
Representative Steven C. LaTourette
Representative Tom Latham
Gary Gensler, Chairman, Commodity Futures Trading Commission
Jill Sommers, Commissioner, Commodity Futures Trading Commission
Scott O'Malia, Commissioner, Commodity Futures Trading Commission
Bart Chilton, Commissioner, Commodity Futures Trading Commission
Mark Wetjen, Commissioner, Commodity Futures Trading Commission