



Chairman Robert Aderholt

*Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies
House Committee on Appropriations*

Fiscal Year 2016 Budget Hearing – Commodity Futures Trading Commission February 11, 2015 Opening Statement As Prepared

Good morning. Welcome to the Agriculture Appropriations Subcommittee's first hearing for fiscal year 2016.

Chairman Massad, thank you for being with us today. We look forward to discussing the CFTC's FY 2016 Budget Request of \$322 million. CFTC's request for such a large increase prompts me to set the stage for the Subcommittee's FY 2016 priorities funding picture. I am not always thrilled to be the bearer of bad news, but I must remind everyone here that our overall funding allocation across the Subcommittee will likely remain the same as last year. That covers all agencies including the CFTC, the Food and Drug Administration, and the majority of the U.S. Department of Agriculture. The FDA alone is asking for nearly \$150 million in new budget authority and the USDA requests another several hundred million in increases. I want to emphasize that nearly every agency under this Subcommittee can make a case as to why one is worthy of an increase. In the end each of you will have to make an overly convincing case as to why you deserve any increase at all. Some may even face decreases so that we all can live within our means. The bottom line is that our nation needs to stay on a diet and the Budget Committee will likely ensure domestic spending remains flat.

With that said, the President's Budget as a whole and this request before us today, do not reflect our nation's crippling debt.

The CFTC's spending has increased 123 percent since the Financial Crisis of 2008 and would rise to 188 percent under this proposal, nearly tripling the Agency's size. The leadership on this side of the Capitol has agreed to a number of healthy increases to support financial oversight; although it opposed Dodd-Frank.

However, given the Administration's increased budget request from \$280 million last year to the record breaking amount of \$322 million this year, I am concerned that this Administration is caving to the political extremes. In Washington, we call this "moving the goalposts". Today I challenge CFTC to show where this increase in taxpayer money has reduced risk in the marketplace. How do we know that even more cops on the beat will prevent another "too big to fail"? I see no direct correlation between CFTC's repeated increases and reduced risk. Can you provide any assurances that a 188 percent increase will guarantee there will not be another financial crisis?

When compared to the decline in overall government spending and CFTC's significant increases, among the largest in the Federal government, CFTC continues to lack concrete justification for its budget request. Despite claims by your budget request and others in our Minority that you

have been starved for resources, Congress has provided sufficient funding and controls since the Financial Crisis. We may need to take a pause to assess its impact.

CFTC's reasons for large increases stem from responsibility over a new market sized at \$700 trillion in notional value. That number is 9 times larger than the entire world economy. We will explore the definition of "notional value" and uncover the real size of the market.

In addition, there are major management issues that need to be addressed. This includes excessive leasing costs reported by the Inspector General, to the tune of \$64 million in projected waste, more than a quarter of the current budget, and approximately \$38 million needlessly spent since the enactment of Dodd-Frank.

In conjunction with Senate Appropriations Subcommittee Chairman Bozeman, I have requested a top to bottom review of the CFTC's leasing practices, authorities, and costs by the General Accountability Office to address this issue.

Finally, I look forward to discussing several policy issues that affect our nations' farmers, ranchers, and small businesses. This includes the Swap Dealer De Minimis level which was included in the FY 2015 Omnibus bill and directs CFTC to require a rulemaking before the threshold automatically drops.

Before we proceed, I would like to take a few minutes to share the themes I have set for this Subcommittee this year. In summary, they are "management, targeting, and promotion."

More specifically, they are: 1) Improving the Management of our Agencies and Programs; 2) Targeting Funds to the Most Important Programs and Functions; and 3) Promoting U.S. Agriculture, Free and Fair Markets, and Safe Food and Medicines.

Theme #1 builds off of our oversight activities over the past several years. It is about improving governance processes and internal controls and requiring disciplined and transparent decision making. For the CFTC, this includes providing certainty to businesses with transparent rulemakings instead of staff-driven, no-action letters.

Theme #2 is about making wise decisions on how we allocate funding in our bill. I want us to invest in winning efforts, such as WIC and providing relief to financial end-users; those that are highly effective, such as agricultural research; and those that have a clear and unique reason for using federal funding, such as animal and plant health programs.

Theme #3 is about telling our story. This is about why the Agricultural Appropriations bill is important to our nation and every one of our colleagues. It funds the efforts that promote American agriculture overseas like the Foreign Agricultural Service. It keeps our markets free and fair by keeping the CFTC responsible for its actions, and it keeps the Food and Drug Administration honest by going line by line through its budget.

The United States has highly productive agriculture, food, financial, and medicine sectors. While most of us believe we should reduce the federal regulatory burden on these industries, the Federal Government does play a unique role in them.

We set the ground rules to ensure efficient trading of commodities. We support basic research and the facilities where it is conducted. We invest in rural infrastructure, such as water and waste and housing programs, to support a vibrant rural economy. We promote a free and fair

international trade regime that allows U.S. commodities and products to be sold around the world.

Our Subcommittee covers many important programs and activities. I'm pleased to be the Chairman again and anticipate a cooperative and productive year.

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