

Opening Statement - As Prepared for Delivery
Chairman Jack Kingston
Commodity Futures Trading Commission
FY 2013 Budget Request
March 22, 2012

Chairman Gensler, I want to welcome you back to the Subcommittee today.

The Commodity Futures Trading Commission (CFTC) is responsible for principles-based regulation of the commodities, futures, options and swaps marketplace. These markets are integral to our nation's free-enterprise system.

Before I turn to you for your opening statement, I want to turn to Ranking Member Farr for any opening remarks that he may have.

Chairman Gensler, unlike most other agencies funded by this Subcommittee, the CFTC has been one of the few agencies to receive consecutive, annual increases in funding.

Yet still, the CFTC has failed to respond in a timely manner, or at all, on a variety of items – the Fiscal Year 2012 spend plan that was requested within 30 days of enactment and was received 75 days after enactment, Congressional directives have flat out been ignored, unnecessary rules have been proposed, and questions about how the CFTC is managing precious resources are just a few things that this Subcommittee Chairman has observed.

The CFTC regulates the participants and activities of the market place, not the paper value of abstract financial instruments. The number of entities the CFTC oversees has only grown by a marginal 5 percent in the past decade. Furthermore, the size of the swaps market is not 8 times larger than the futures market and the CFTC does not need 8 times the resources. Approximately 15 million futures and options transactions occur each day, but only 2,000 to 4,000 swaps transactions occur in a day. There are more futures and options traded in a single hour than there are swaps that trade in a day.

CFTC's fiscal year 2013 budget requests \$308 million, an increase of 50% over the fiscal year 2012 funding level. This requested funding level has to be called into question given the current fiscal environment that we are in, and the realities of the funding history that the CFTC has been provided by the Congress.

#####