



April 13, 2016

Dear Senator,

On behalf of the undersigned organizations, we are writing to urge you to vote against the “Commodity End User Relief Act”, a bill that reauthorizes the Commodity Futures Trading Commission (CFTC) and makes other statutory changes.

The CFTC’s role in regulating commodity and derivatives markets is vital to businesses that use commodity markets to hedge risks, vital to the economic well-being of American families who rely on affordable prices for products like gasoline and food, and vital to overall financial stability. But the agency is drastically underfunded, with a budget of \$250 million that is far below the \$330 million requested and miniscule compared to the hundreds of trillions of dollars in markets that the agency must supervise.

This legislation makes no progress at all on this key issue of funding. Instead, it weakens the agency by interfering in numerous areas of highly technical regulation to restrict agency discretion and force outcomes favorable to Wall Street interests. The areas where CFTC oversight powers are weakened include crucial elements of the Dodd-Frank Act such as commodity position limits and prudential safeguards for derivatives dealers, as well as core issues of CFTC authority such as jurisdiction over complex financial transactions involving commodities.

The CFTC has already been responsive to legitimate end user concerns in its rulemaking, which makes it even more inappropriate to use the reauthorization process to grant special favors to industry lobbyists. Congress should not be acting to weaken the CFTC’s regulatory powers.

Instead, it should create a sustainable path for the agency to get the resources it needs for proper oversight of financial and commodity markets that have grown enormously in size and complexity.

Sincerely,

AFL-CIO

Americans for Financial Reform

Consumer Federation of America

Institute for Agriculture and Trade Policy

Public Citizen

U.S. PIRG