



LEGISLATIVE ALERT

June 20, 2014

Dear Representative:

On behalf of the AFL-CIO, I am writing to urge you to oppose the “Customer Protection and End User Relief Act” (H.R. 4413), the reauthorization bill for the Commodity Futures Trading Commission (CFTC), which we expect to be on the House floor today. The changes proposed in H.R. 4413 would greatly reduce the capacity of the CFTC to police Wall Street and the derivatives markets whose health is central to the stability of our financial system.

Numerous of the bill’s provisions would serve only to increase bureaucratic red-tape at the agency. For example, the agency would be required to more than double the number of cost benefit analyses before taking any action, not only slowing down the regulatory and oversight processes but also increasing the opportunities for those opposed to the CFTC’s mission to fight an agency action in court.

The legislation also would force U.S. regulators to accept foreign rules for derivatives transactions booked by U.S. banks in any of the nine largest global financial markets. It would do so by creating a presumption that foreign rules apply unless the Securities Exchange Commission and the CFTC complete a complex inter-agency process that results in a determination that the foreign rules are not “broadly equivalent.”

Finally, the legislation fails to address the pressing issue of inadequate CFTC funding, which makes it nearly impossible for the CFTC to successfully police the derivatives and futures markets. CFTC reauthorization should provide the opportunity for Congress to ensure the agency has adequate funding by providing it with self-funding authority; this bill misses the mark.

For the foregoing reasons, we urge you to oppose H.R. 4413.

Sincerely,

William Samuel, Director
Government Affairs Department