



November 15, 2011

Senator Harry Reid
522 Hart Senate Office Bldg
Washington, DC 20510
Via fax 202-224-7327

Dear Senator Reid,

Friends of the Earth writes to express our deep concern about the sorely inadequate funding for the Commodities Future Trading Corporation (CFTC) in the FY2012 Agriculture minibuss.

The conference committee freezes CFTC funding at current levels of \$205 million -- significantly below the \$240 million budgeted in the Senate bill, and far lower than the President's requested level of \$308 million. In light of the Commission's vastly increased responsibilities under the Dodd-Frank Act, and the importance of its mission to protect the stability and integrity of our financial markets, **we urge you to ensure that the CFTC is fully funded at the \$308 million level.**

As we and other groups pointed out in a letter to the conferees last week, under the Dodd-Frank Act, the CFTC is now charged with overseeing about \$280 trillion in previously unregulated swaps, representing a more than seven-fold increase in the notional value of the market the CFTC must supervise. In addition, in 2013 California plans to roll out the world's second largest carbon trading program, creating yet another set of important oversight responsibilities for the Commission.

The Agriculture minibuss includes wasteful and environmentally harmful programs which could offer more than enough savings to fully fund the Commission. We particularly call to your attention a \$1.4 billion appropriation for the ill-named Environmental Quality Incentives Program, a program which uses our tax dollars to clean up manure lagoons caused by concentrated animal feeding operations. These factory farms should be required to clean up their own pollution, rather than rely on public subsidies to prop up their environmentally harmful operations. **Even cutting EQIP by 10% from its current \$1.4 billion level would allow Congress to more than fully fund the CFTC.**

The CFTC must be fully resourced to ensure the stability and integrity of our financial markets, to protect the public from excessive speculation and volatility in essential commodities such as food and energy, and to regulate new markets such as carbon. We urge you to ensure that the CFTC is fully funded.

Sincerely,

Michelle Chan
Director, Economic Policy Programs
Friends of the Earth – US