

**Chairman John Boozman Opening Statement
Committee on Appropriations Subcommittee on Financial Services
and General Government**

**Hearing to review to Review the FY2017 Budget Request & Budget Justification
for the Securities and Exchange Commission and the
Commodity Futures Trading Commission**

April 12, 2016

(As prepared for delivery)

Good morning. The subcommittee will come to order.

I would like to welcome our witnesses, SEC Chair Mary Jo White and CFTC Chairman Tim Massad. Thank you for being here today.

We look forward to hearing from you both about the details of your budget requests and your plans to carry out your agency missions.

As members of this Committee, we have a responsibility to ensure the funds we oversee are spent wisely.

Both of your agencies are seeking significant increases for fiscal year 2017. While you do have important responsibilities, you have also received significant increases in recent years, particularly in comparison to other agencies in our jurisdiction.

The SEC is requesting \$1.781 billion, which is \$176 million, or 11 percent, higher than FY 2016. Since FY 2000, the SEC budget has grown from \$377 million to now \$1.6 billion.

While the SEC is a fee-funded agency, congressional oversight over the Commission's budget is critical. Although those fees come from public companies and exchanges, they are borne by investors, and Congress has a responsibility to ensure those funds are being spent in a manner that protects investors, helps markets operate efficiently, and spurs economic growth for all Americans.

The CFTC is requesting \$330 million, 32 percent more than FY 2016. The CFTC has also received significant increases. For comparison, the CFTC was funded at \$62.7 million in fiscal year 2000 and the budget has now reached \$250 million.

However, access to more funding does not necessarily ensure that an agency will successfully achieve its mission or spend that funding responsibly.

In the case of the CFTC, some leasing costs and practices have raised concerns about effective management of federal funding.

All agencies have to make strategic decisions on how to best allocate resources. As we review your budget requests, I am most interested to hear what decisions you have made to operate more efficiently in order to carry out your responsibilities within current funding levels.

We all benefit from a system that promotes fair and orderly markets, so I am concerned when regulations fragment the market, needlessly raise the cost of doing business, or push trading overseas.

I ask you to be persistent in trying to work together and coordinate with other federal regulators, self-regulatory organizations, and your international counterparts.

Inconsistent rules at the SEC and the Department of Labor governing fiduciary standards continue to cause uncertainty and confusion. I remain concerned that DOL's proposal could limit affordable retirement options for low and middle income Americans.

We're also interested in hearing more about efforts to defend against cyber threats to investors and financial market infrastructure, protect families from higher electricity bills by treating regional transmission organizations fairly, and ease regulatory burdens for end users.

Your jobs have become even more challenging with the rise in automated trading, constant technological innovations, and your charge to operate in what has been referred to as "the internet fueled age of finance."

I look forward to your testimony and hearing from you about these and other challenges you face, but first I will turn to my ranking member Senator Coons for his opening statement.

Thank you.

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