

**Chairman Shelley Moore Capito Opening Statement
Committee on Appropriations Subcommittee on Financial Services
and General Government**

**Hearing to Review the FY2018 Budget Request for the
U.S. Security Exchange Commission and the
Commodity Futures Trading Commission**

June 27, 2017

(As prepared for delivery)

Good morning. The subcommittee will come to order.

I would like to welcome our witnesses, SEC Chairman Jay Clayton and Acting CFTC Chairman Chris Giancarlo. 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 increases for fiscal year 2018. The SEC is requesting \$1.8 billion, which is \$242 million, or 15 percent, higher than FY 2017. 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 \$281.5 million, 11 percent more than FY 2017. 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. You both will have challenges as you take the helm of your agencies.

In the case of the CFTC, some leasing costs and practices have raised concerns about effective management of federal funding. SEC has also had similar issues relating to its leasing practices, which is of concern given the proposed budget increase for its upcoming move.

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.

We're also interested in hearing more about efforts to defend against cyber threats to investors and financial market infrastructure, as well as efforts to ease regulatory burdens.

Your jobs have become even more challenging with the rise in automated trading and constant technological innovation -- including areas such as financial technology or "FinTech," -- and the need to operate in markets undergoing digital transformation.

Again thank you both for being here today. I look forward to your testimony and learning more about these and other challenges you face.

I will now turn to ranking member Senator Coons for his opening statement.

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