

Statement of
The Honorable Dawn D. Stump
Before the Committee on Agriculture
United States House of Representatives
CFTC Reauthorization: Stakeholder Perspectives
December 11, 2025

I would like to begin by thanking Chairman Thompson and Ranking Member Craig for inviting me to be here today, and I applaud all members of the committee for your attention to the task of reauthorizing the Commodity Futures Trading Commission (CFTC). Since it began operating 50 years ago, the CFTC has fostered tremendous growth and integrity in the U.S. derivatives markets. While this success is driven by the markets themselves, it is sustained by the unique regulatory purpose Congress designed for the CFTC - a purpose that needs to be reaffirmed from time to time, lest it be misunderstood or undervalued.

While the CFTC's mission remains timeless, sweeping and substantial changes in the derivatives markets have taken the CFTC on a transformative journey. I am proud to have been involved in this evolution, even as some progress came with tremendous growing pains. During my career I have had the privilege to serve as a legislative staffer at both the House and Senate Agriculture Committees where I worked on the last CFTC reauthorization in 2008 and the Dodd-Frank Act during the financial crisis. I have also had the opportunity to work within the industry for a CFTC-regulated exchange and clearinghouse, a foreign board of trade, and on behalf of customer-facing intermediaries. And finally, I count among my greatest honors serving as a CFTC Commissioner during President Trump's first term and the early years of President Biden's Administration.

In each of these roles - advancing legislation, conducting oversight, implementing regulations, enforcing rules, and developing compliant business operations in the real world - I have confronted many complex questions, often stemming from competing, and sometimes creative, interpretations of the objectives Congress has outlined for the CFTC. Time and again I find the best compass in navigating these subjective debates is simply re-reading the actual words used in the Commodity Exchange Act (CEA). To be clear, there have been instances in which I would have personally preferred different words, but the CEA is the ultimate directive to which we all must subscribe.

The reauthorization process has traditionally served as a recurring opportunity for Congress to ensure those all-important words in the CEA remain absolutely fit for purpose such that market developers, regulators, and, where necessary, the courts can apply the statute in a current context. While the sensible flexibility of the CEA largely enables the CFTC to adapt as the market develops new products and business practices, reauthorization provides an opportunity for the people's elected representatives to address ambiguities that inevitably arise with such changes.

Beyond this periodic review to ensure the CEA remains up to date, I would like to briefly discuss two additional reasons reauthorization is prudent – one is a technical budgetary matter and the other an important validation of the agency itself.

Beginning with the technical issue, it is worth briefly clarifying what we are talking about when we refer to “CFTC reauthorization”. Importantly, the duties and authorities assigned to the agency do not lapse at the end of the authorization period. Rather, the authorization for appropriations expires. This is not unique to the CFTC, and in a much broader debate there is a great deal of scrutiny surrounding “unauthorized appropriations”. Some believe the receipt of funds without an updated authorization has enabled agencies to operate beyond their usefulness, while others have suggested that neglecting these routine authorizations results in agencies not receiving proper oversight.

I hope we would all agree that such concerns do not apply to the CFTC - it was never envisioned to sunset, and congressional oversight is constantly occurring through an ongoing dialogue between this committee and the agency. Nonetheless, we cannot ignore the possibility that these ongoing considerations potentially put a target on an agency that was last authorized for appropriations in fiscal year 2013 at the conclusion of a routine five-year authorization approved in 2008. In my opinion, the best course of action to avoid the CFTC being inadvertently caught up in this broader procedural debate is to simply authorize the appropriations. This is “CFTC reauthorization” in its simplest form – changing the end date to extend the timeframe for which appropriations are authorized for the agency.

In addition to updating the CEA and addressing this technical budgetary matter, Congress has historically taken the opportunity to demonstrate and renew its support for the CFTC by way of reauthorization. This is not, as some have suggested, merely a symbolic gesture but rather an important affirmation of the agency's relevance. Though small in size, the CFTC performs a critical regulatory function overseeing markets with an enormous range of underlying products – agricultural commodities, energy resources, interest rates, foreign currency, metals, credit tools, and equity indexes just to name a few. Its remit impacts grain elevators, hedge funds, financial institutions, manufacturer supply chains, and retail

participants in both established and new derivatives markets. CFTC-regulated markets have an enormous impact on the U.S. economy. Yet, its identity is often misunderstood as “the little sister to the Securities and Exchange Commission”. It is important that Congress endorses the unique objectives it set out for the CFTC to avoid these sorts of misconceptions, especially during this period of transition.

In closing, I again want to thank the committee members for your attention to reauthorizing the CFTC. The importance of the agency’s mission warrants validation by Congress. Reauthorization serves to provide that support while also addressing technical matters and prudent review of the authorities entrusted to the Commission.