

United States Senate Committee on  
**AGRICULTURE  
NUTRITION  
& FORESTRY**

**Hearing Statement of Chairwoman Debbie Stabenow (D-Mich)**

**Continuing Oversight of the Wall Street Reform  
and Consumer Protection Act**

**December 1, 2011**

*As prepared for delivery*

Today's hearing is part of this Committee's continuing oversight of the Wall Street Reform and Consumer Protection Act. We know why reform was needed: the collapse of the financial industry cost taxpayers hundreds of billions of dollars and we lost 8 million jobs. We passed Wall Street Reform to prevent systemic failures, and to ensure that taxpayers are never again asked to bail out financial institutions.

Wall Street Reform addressed four key areas: systemic risk, full accountability and transparency, greater consumer protections, and better capitalization for the largest, most systemic institutions. The priority all along has been to protect consumers and to ensure that customers can trust the integrity of our financial markets.

The crisis in Europe is a reminder of how important it is to get these rules done, and to get them done right. We've already seen, with the bankruptcy of MF Global, how dangerously exposed our economy is to what's happening in Europe. The implications of this cannot be overstated.

Chairman Gensler and Chairman Schapiro, as you work to finalize all of the rules, I encourage you to harmonize your rules with each other and other prudential regulators, working closely with your global counterparts. We need a consistent set of rules, not conflicting or duplicative regulations.

As you both know, a top priority for me has been protecting commercial "end users" – farmers, ranchers, manufacturers, co-ops, and others who use the swaps market to hedge legitimate business risk. We put protections in the Wall Street Reform law for those end users, and regulators must follow Congressional intent.

The Wall Street Reform Act is bringing transparency and accountability to over-the-counter swaps markets for the first time. The MF Global bankruptcy underscores the importance of having effective oversight in *all* of our financial markets. We need these markets to function properly, and we need consumers to have faith in them. MF Global's customers included

farmers, ranchers, co-ops, small businesses, and individuals who use these markets to hedge their business risk. They believed their money would be handled appropriately. They believed that the markets would function properly. They believed in the guiding principle of these markets, that their money would be kept separate from the firm's money.

Now, their confidence is shaken, and MF Global's customers are understandably very angry. With hundreds of millions of dollars of customers' money missing – maybe more than a billion dollars – it's clear that something went terribly wrong.

As the Committee continues to investigate this bankruptcy, we will be asking where the money is, how to get customers their money back, whether the bankruptcy was preventable, and whether the rules were appropriately crafted to protect customers' money.

I want to thank our witnesses here today – Chairman Gensler and Chairman Schapiro. And I appreciate that Commissioner Sommers is also here to respond to any questions Chairman Gensler feels he cannot answer about the MF Global bankruptcy. I appreciate the time and effort all of you have put into writing these rules, and for being here and being available to the Committee as we continue our oversight of these important matters.

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