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COMMENT

Public Meeting on CFTC Proposed New Regulatory Framework

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Opening Statement of Commissioner David D. Spears

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Washington, D.C.
June 27 - 28, 2000

At the outset, I would like to commend Chairman Rainer – both for his leadership in bringing forward the most ambitious and far-reaching regulatory reform proposal in the 25-year history of the CFTC, and for his diplomatic skills in doing so while maintaining coordination and cooperation with the other members of the President’s Working Group on Financial Markets.

New markets, new trading systems, and new technologies are bringing profound changes to financial and commodity markets around the world. If U.S. markets are to maintain their leadership in this fast-changing global financial marketplace, they must be able to respond quickly and decisively to competitive challenges. That will take not only innovation and imagination on their part, but also a regulatory system that is flexible enough to allow new ideas to blossom and grow without unnecessary regulatory burdens. The goal of the proposed new regulatory framework that is before us today is to provide that flexibility. I fully support that goal. But as we reach for it, we must remember two things. First, along with new opportunities for exchanges in structuring their businesses come added responsibilities for meeting the regulatory core principles. Second, we must never lose sight of the Commodity Exchange Act’s statutory mandate to assure customer protection and market integrity. I hope today’s witnesses, as well as the other participants in the public comment process, will help us to determine how well we have hit that mark.

As Chairman of the Commission’s Agricultural Advisory Committee, I am also very interested in the comments of the agricultural community on these proposals. We would welcome comments at today’s hearing from any agricultural representatives wishing to speak. However, to allow the Ag community to digest this document fully, we will be discussing the proposed new regulatory framework at our next Agricultural Advisory Committee meeting that is tentatively scheduled for July 18th. That date is within the comment period, and the transcript of that meeting -- like that of today’s hearing -- will be included in the public comment file and carefully considered by the Commission in its deliberations on any final rules.

In closing, I would like to express my sincere appreciation to Paul Architzel, who headed up the staff task force that put this package together, and to all the other staff members who have devoted countless hours to this project. Let me also thank the witnesses who have come here today to share their comments and concerns about the Commission’s proposal. I look forward to hearing your views.