

COMMODITY MARKETS OVERSIGHT COALITION

An Alliance of Derivatives End-Users & Reform Advocates

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COALITION OF BUSINESS, CONSUMER GROUPS URGES SUPPORT FOR COMMODITY TRADING REFORMS

Statement Comes on One-year Anniversary of the Dodd-Frank Act

WASHINGTON, D.C., July 21, 2011 – A national coalition of groups representing commodity-dependent businesses and consumers has urged Congressional support for derivatives reforms included in last year’s Dodd-Frank Wall Street Reform and Consumer Protection Act.

The coalition warned that the commodities derivatives markets have become opaque and subject to excessive speculation, resulting in extreme volatility, disconnection of the price discovery function from supply and demand and difficulties for hedgers in mitigating risk.

The letter calls on Congress to resist efforts to delay, water-down or repeal these reforms, many of which are currently under rulemaking at the Commodity Futures Trading Commission (CFTC). Once implemented, the coalition says the reforms will “return some measure of stability and confidence to these markets, and return them to their original purpose as a tool for physical hedgers.”

It also urges Congress to fully fund the CFTC at the amount requested by the administration and reject the proposed funding cuts included in the House Agriculture Appropriations Act. The House bill proposed a cut to CFTC funding that is 44 percent below the requested level.

They said failure to protect and fully fund needed reforms would “not benefit Main Street businesses and consumers.”

“Rather, it would benefit financial entities and speculative investors on Wall Street and LaSalle Street who are desperate for opportunities to derail needed reforms, preserve the status quo and continue their speculative profits.”

The letter was signed by 46 organizations including various U.S. industries and business interests, among them were airlines, gasoline retailers, home energy providers, restaurant chains, truckers, farmers, ranchers and cattlemen. It was sent on the anniversary of the signing into law of the Dodd-Frank Act.

The coalition letter is available online at:

http://www.nefiactioncenter.com/PDF/cmoc_congressltr_2011july_final.pdf

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The Commodity Markets Oversight Coalition (CMOC) is an independent, non-partisan and non-profit alliance of groups that represent commodity-dependent industries, businesses and end-users, including American consumers who rely on commodity derivatives markets as a hedging and price discovery tool. The CMOC advocates in favor of government policies that promote stability and confidence in the commodities markets, that seek to prevent fraud, manipulation and excessive speculation, and that preserve the interests of bona fide hedgers and consumers. Visit www.commoditymarketoversight.org for more information.