

# COMMODITY MARKETS OVERSIGHT COALITION

An Alliance of Commodity Derivatives End-Users and Consumers

February 8, 2011

The Hon. Kent Conrad, Chairman  
Committee on the Budget  
United States Senate  
624 Dirksen SOB  
Washington, DC 20510

The Hon. Jeff Sessions  
Committee on the Budget  
United States Senate  
624 Dirksen SOB  
Washington, DC 20510

The Hon. Daniel K. Inouye, Chairman  
Committee on Appropriations  
United States Senate  
S-128 Capitol Building  
Washington, DC 20510

The Hon. Thad Cochran, Ranking Member  
Committee on Appropriations  
United States Senate  
S-128 Capitol Building  
Washington, DC 20510

Dear Chairmen Conrad and Inouye, and Ranking Sessions and Cochran:

The undersigned members of the Commodity Markets Oversight Coalition (CMOC) write to endorse Congressional funding levels for the Commodity Futures Trading Commission (CFTC) necessary to ensure transparency, stability and proper functioning of our nation's commodity derivatives markets.

The CMOC is an independent, non-partisan and non-profit alliance of groups that represents commodity-dependent industries, businesses and end-users, including American consumers, that rely on functional, transparent and competitive commodity derivatives markets as a hedging and price discovery tool. The coalition 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.

Our coalition was supportive of bipartisan measures included in Title VII of last year's Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Pub.L.111-203) that would bring renewed transparency and oversight the commodity derivatives markets - including energy and agricultural futures, options and swaps - while preserving the needs of *bona fide* commercial hedgers. Our coalition took no position on other measures included in the broader legislation.

Immediately after the bill was signed into law on July 21, 2010, the CFTC embraced its Congressional mandate to implement these reforms. Our coalition is pleased with the commitment to responsible, open and public rulemakings exhibited by Chairman Gensler, his fellow Commissioners and their staff. However, appropriate funding increases will be required for comprehensive implementation and enforcement and to insure orderly and functional commodities markets.

While we acknowledge the deficit crisis our country faces and commend Republican and Democratic leaders for their calls to rein in federal spending, it is important to acknowledge the Commission's needs. Historically, the CFTC has been underfunded, understaffed, and under-resourced. Last year, Congress expanded existing CFTC authority to include unregulated and opaque derivatives markets, increasing the size of CFTC-regulated markets by more than 15 times. Further, newly emerging market trends and technologies continue to challenge the CFTC given its insufficient staffing and technology needs. Therefore, now is not the time to withhold or cut CFTC funding. Doing so may further jeopardize security, stability and confidence in the U.S. commodity markets.

As businesses and consumers that depend on transparent and functional commodity derivatives markets, we urge adequate funding for the CFTC for fiscal years 2011 and 2012 that are necessary to implement new authorities and meet emerging market challenges.

Thank you in advance for your thoughtful consideration.

Sincerely,

American Public Gas Association  
American Public Power Association  
California Independent Oil Marketer Association  
Colorado Petroleum Marketers Association  
Consumer Federation of America  
Consumer Watchdog  
Florida Petroleum Marketers Association  
Food & Water Watch  
Fuel Merchants Association of New Jersey  
Gasoline & Automotive Service Dealers of America  
Illinois Petroleum Marketers Association  
Illinois Association of Convenience Stores  
Independent Connecticut Petroleum Association  
Industrial Energy Consumers of America  
Institute for Agriculture and Trade Policy  
Louisiana Oil Marketers & Convenience Store Association  
Maine Energy Marketers Association  
Massachusetts Oilheat Council  
Montana Petroleum Marketers & Convenience Store Association  
National Association of Convenience Stores  
National Association of Oilheating Service Managers  
National Association of Truckstop Operators  
National Council of Chain Restaurants  
National Family Farm Coalition  
National Farmers Union  
New England Fuel Institute  
New Jersey Citizen Action Oil Group  
New Mexico Petroleum Marketers Association  
New York Oil Heating Association  
North Dakota Petroleum Marketers Association  
North Dakota Retailers Association  
Ohio Petroleum Marketers & Convenience Store Association  
Oil Heat Council of New Hampshire  
Oil Heat Institute of Long Island  
Oil Heat Institute of Rhode Island  
Organization for Competitive Markets  
Petroleum Marketers Association of America  
Petroleum Marketers & Convenience Store Association Kansas  
Petroleum Marketers & Convenience Stores of Iowa  
(Continued...)

Public Citizen  
R-CALF USA  
Society of Independent Gasoline Marketers of America  
Utah Petroleum Marketers and Retailers Association  
Vermont Fuel Dealers Association  
West Virginia Oil Marketers and Grocers Association  
Wyoming Petroleum Marketers Association

cc: The Hon. Richard Durbin, Chairman, Senate Appropriations Subcommittee on Financial Services and General Government  
The Hon. Jerry Moran, Ranking Member, Senate Appropriations Subcommittee on Financial Services and General Government  
The Hon. Debbie Stabenow, Chairwoman, Senate Committee on Agriculture, Nutrition and Forestry  
The Hon. Pat Roberts, Ranking Member, Senate Committee on Agriculture, Nutrition and Forestry  
The Hon. Jeff Bingaman, Chairman, Senate Committee on Energy & Natural Resources  
The Hon. Lisa Murkowski, Ranking Member, Senate Committee on Energy & Natural Resources