

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