

# COMMODITY MARKETS OVERSIGHT COALITION

An Alliance of Derivatives End-Users & Reform Advocates

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## **COALITION OF BUSINESS, CONSUMER GROUPS OPPOSES BILL TO DELAY COMMODITY TRADING REFORMS**

*Delay could jeopardize market stability and confidence*

**WASHINGTON, D.C., May 2, 2011** – A national coalition of groups representing commodity-dependent businesses and consumers has announced opposition to a new House bill that would significantly delay new trading reforms provided in last year's Dodd-Frank Wall Street Reform and Consumer Protection Act.

The proposed legislation, H.R.1573, would extend the deadline for implementation and enforcement of most Dodd-Frank Act reforms of trading in the derivatives markets, including commodity futures, options and swaps markets, from July 21, 2011 until January 1, 2013.

"These reforms, once implemented, will bring greater transparency and stability to the commodity derivatives markets, including energy and agricultural futures, options and swaps markets," the coalition said in a letter to key lawmakers today.

The groups cited in their letter the recent explosion of speculative activity in the still mostly unregulated commodity futures markets, and correlated market volatility and price spikes, as reason to keep these reforms on-track, especially proposed limits on speculative trading.

"Further delay in the implementation and enforcement of these reforms could greatly diminish market competitiveness, stability and confidence, and will preserve today's artificially high commodity prices caused by excessive speculation in the derivatives markets."

The letter also expressed concern regarding a provision in the bill which could provide blanket exemptions from new regulations for certain entities, which the coalition called "unwarranted."

"Therefore we oppose H.R.1573," the coalition said.

H.R. 1573 was introduced in the U.S. House of Representatives on April 15th by the Republican leadership in the Agriculture and Financial Services Committees. Respective committee mark-ups have been scheduled for Wednesday, May 4th and Thursday, May 12th.

The coalition letter was sent to both Republican and Democratic leaders in the House Financial Services and Agriculture Committees and is available online at:  
[http://www.nefiactioncenter.com/PDF/cmoc\\_hr1573ltr\\_final.pdf](http://www.nefiactioncenter.com/PDF/cmoc_hr1573ltr_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, that 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](http://www.commoditymarketoversight.org) for more information.