

COMMODITY MARKETS OVERSIGHT COALITION

June 26, 2009

Speaker Nancy Pelosi
H-232, US Capitol
Washington, DC 20515

House Republican Leader John Boehner
H-204, US Capitol
Washington, DC 20515

Dear Madame Speaker and Leader Boehner:

The undersigned organizations, representing millions of Americans and businesses affected by high energy prices, have for years been concerned about the lack of transparency and oversight in the commodities markets. While taking no collective position on the broader bill, our organizations do strongly support measures within the American Clean Energy and Security Act (H.R. 2454) that seek to provide strong regulatory protections over energy and carbon trading markets.

The language, included in Title VIII, Subtitle E (“Additional Market Assurance”, sections 351 through 359), is vital to protect consumers from high prices caused by excessive speculation, potential fraud and manipulation, and anti-competitive behavior in the commodity and emissions trading markets by:

- Granting the Commodity Futures Trading Commission (CFTC) authority over Over-the-Counter (OTC) markets;
- Regulating foreign-based entities trading U.S. commodities in the U.S.;
- Closing the swaps loophole and requiring energy trades to comply with the Commodity Exchange Act;
- Banning naked credit default swaps;
- Setting aggregate position limits for energy speculators across all markets;
- Empowering the CFTC to implement an independent funding stream for oversight of commodity markets; and
- Subjecting carbon to CFTC regulation.

We have become alerted to efforts within the financial services industry to see to it that this provision be removed from the bill. Additionally, eighteen members of Congress have written a letter requesting that these crucial consumer and market protections be removed from the climate legislation. We are also aware of efforts to include a measure that would nullify Sections 351 to 359 if similar legislation were later passed by Congress, but without setting conditions or requiring this legislation to be comparable.

Failure to include in H.R. 2454 significant measures to guard against fraud, manipulation and excessive speculation in the commodity markets, including emissions markets, will open the door to disaster for the American consumer and business. We urge you to retain the current language and only allow the nullification of this measure if comparable, if not more comprehensive, legislation is later passed by Congress.

Relying on separate financial services reform legislation is inadequate and far too time consuming as oil, gasoline, natural gas and heating oil remain volatile and prices surge in the middle of a serious recession, undermining economic recovery and the impact of the President's stimulus. Consumers and businesses alike need the commodity reforms included in H.R. 2454 to remain intact.

Thank you for your consideration.

Sincerely,

Air Transport Association
American Trucking Association
Arkansas Oil Marketers Association
California Independent Oil Marketers Association
Colorado Wyoming Petroleum Marketers Association
Columban Center for Advocacy and Outreach
Florida Petroleum Marketers and Convenience Store Association
Fuel Merchants Association of New Jersey
Holly Cross International Justice Office
Illinois Association of Convenience Stores
Illinois Petroleum Marketers Association
Independent Connecticut Petroleum Association
Louisiana Oil Marketers & Convenience Store Assn.
Maine Oil Dealers Association
Mid-Atlantic Petroleum Distributors Association
Montana Petroleum Marketers Association
National Association of Truck Stop Operators
Nebraska Petroleum Marketers & Convenience Store Association
New England Fuel Institute
New Mexico Petroleum Marketers Association
New York Oil Heating Association
Ohio Petroleum Marketers & Convenience Store Association
Oil Heat Institute of Rhode Island
Petroleum Marketers Association of America
Petroleum and Convenience Marketers of Alabama
Petroleum Marketers and Convenience Store Association of Kansas
Petroleum Marketers and Convenience Stores of Iowa
Propane Gas Association of New England
Public Citizen
Utah Petroleum Marketers and Retailers Association
Vermont Fuel Dealers Association
West Virginia Oil Marketers and Grocers Association