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AT-LARGE, VERMONT

COMMITTEE ON AGRICULTURE

COMMITTEE ON
OVERSIGHT AND GOVERNMENT
REFORM

Congress of the United States
House of Representatives
Washington, DC 20515-4501

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April 6, 2011

The Honorable Harold Rogers
House Appropriations Committee
H-307, The Capitol
Washington, DC 20515

The Honorable Norm Dicks
House Appropriations Committee
1016 LHOB
Washington D.C. 20515

Dear Chairman Rogers and Ranking Member Dicks,

We write to urge you to support full funding for the Commodity Futures Trading Commission (CFTC) in the FY12 Agriculture Appropriations bill. With oil prices continuing to rise, we need an effective and prudent regulator to mitigate excessive speculation in commodity markets.

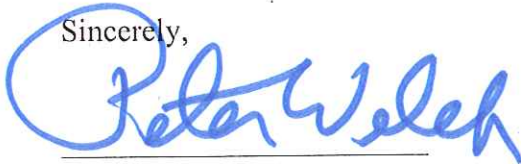
The American public is currently paying a speculative "fear premium" anywhere between \$20-30 for a barrel of oil which equates to a 60-70 cent increase price at the pump. This is largely due to increased speculative "long" trading on commodity exchanges. The CFTC needs the tools to police these markets in order to protect end-users and consumers. Navy Secretary Mabus recently provided Congress with a clear example of the impact the "fear premium" on the taxpayer. He testified that every \$10 increase in the price of a barrel of oil adds more than \$300 million to the U.S. Navy's annual fuel costs.

The CFTC is currently operating under FY 2010 levels at \$169 million through April 8, which is not adequate to cover effective regulation of the over the counter (OTC) marketplace. The CFTC must have the tools to oversee the \$300 trillion U.S. derivatives marketplace. Without these resources, it will likely have to resort to being a restrictive based regulator rather than a principals based regulator. Essentially, the CFTC will not have the tools to approve new products, clear platforms and other services which will greatly impact competition in the marketplace.

When you consider the instability that the instability in the derivatives market has had on consumers of oil, from middle class families to our own Navy, it is clear that Congress must fully fund the CFTC at \$308 million in the upcoming fiscal year.

Thank you for your consideration of this important request:

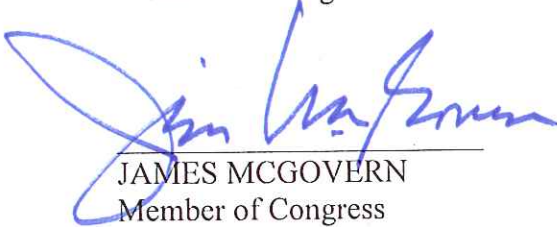
Sincerely,



PETER WELCH
Member of Congress



TIMOTHY WALZ
Member of Congress



JAMES MCGOVERN
Member of Congress



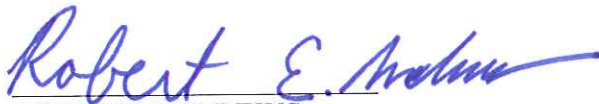
JOE COURTNEY
Member of Congress



RUSH HOLT
Member of Congress



BEN RAY LUJAN
Member of Congress



ROBERT ANDREWS
Member of Congress



BARNEY FRANK
Member of Congress



JOHN CONYERS
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