

**COALITION TO SUPPORT THE  
END EXCESSIVE OIL SPECULATION NOW ACT**

June 15, 2011

The Honorable Bernie Sanders  
332 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Richard Blumenthal  
702 Hart Senate Office Building  
Washington, DC 20510

Dear Senators Sanders and Blumenthal:

The undersigned organizations write to endorse the “End Excessive Oil Speculation Now Act.” This bill, if passed, would decisively and immediately address rampant speculation that drives the prices for crude oil, gasoline, heating oil and diesel fuel to levels unjustified by supply and demand.

Evidence continues to mount that investor speculation in the commodities markets is driving unprecedented volatility and unwarranted price spikes. *Bona fide* hedgers who utilize these markets to protect their businesses and consumers from price risks are losing confidence in them. A decade ago, hedgers dominated these markets and speculators provided only the needed liquidity to facilitate hedging and price discovery. Today, speculators now make up 80 percent or more of the trading activity in the energy markets.

Under federal law, the Commodity Futures Trading Commission (CFTC) is required to establish position limits in energy futures, options and swaps markets “to diminish, eliminate or prevent excessive speculation.” Under last year’s Dodd-Frank Wall Street Reform and Consumer Protection Act, the CFTC was required to establish these limits by January 17, 2011. It has failed to do so, and Americans have seen soaring fuel prices as a result.

The “End Excessive Oil Speculation Now Act” would immediately address this crisis by requiring within 14 days that the Chairman of the CFTC:

- Set **speculative position limits** equal to the accountability levels currently used in the New York Mercantile Exchange;
- Establish **margin requirements for speculators** of 12 percent for all major energy trades in crude oil, gasoline, diesel fuel, jet fuel and heating oil;
- Prohibit bank holding companies, investment banks, and hedge funds from being classified as *bona fide* hedgers and receiving **unwarranted regulatory exemptions**; and
- Any other action necessary to **eliminate excessive speculation** in the energy markets.

Passage of this legislation will empower the CFTC to act immediately to address high energy costs, reinforce the intent of last year’s Wall Street Reform law and send a clear signal to the energy markets that Washington is serious about addressing this crisis and putting a stop to out of control speculation.

We commend you for introducing this legislation and thank you for your continued leadership on an issue important to so many American businesses and consumers.

Sincerely,

ActionAid USA  
AFSCME  
American Agricultural Movement  
Americans for Financial Reform  
California Black Farmers & Agriculturalists Association  
Consumer Federation of America  
Consumer Watchdog  
Gasoline & Automotive Service Dealers of America, Inc.  
Independent Connecticut Petroleum Association  
International Brotherhood of Teamsters  
Maine Energy Marketers Association  
Main Street Alliance  
Maryknoll Office for Global Concerns  
Massachusetts Oilheat Council  
NAFA Fleet Management Association  
National Association of Oil and Energy Service Professionals  
National Latino Farmers & Ranchers Trade Association  
National Association of Truck Stop Operators  
National Farmers Union  
Nebraska Farmers Union  
New England Fuel Institute  
New Jersey Citizen Action Oil Group  
New Rules for Global Finance Coalition  
New York Oil Heating Association  
Oil Heat Council of New Hampshire  
Oil Heat Institute of Long Island  
Oil Heat Institute of Rhode Island  
Oilheat Manufacturers Association  
Organization for Competitive Markets  
Petroleum Marketers & Convenience Store Association of Kansas  
Public Citizen  
R-CALF USA  
South Carolina Small Business Chamber of Commerce  
Vermont Fuel Dealers Association