



August 3, 2010

The Honorable Blanche Lincoln
United States Senate Agriculture Committee Chairwoman
Washington, DC 20510

Dear Chairwoman Lincoln:

On behalf of the Petroleum Marketers Association of America (PMAA), the New England Fuel Institute (NEFI) and the Arkansas Oil Marketers Association (AOMA) we would like to commend your efforts for being a staunch advocate to bring transparency and accountability to the over-the-counter (OTC) derivatives market. Highly leveraged speculative bets in the oil futures market led to the dramatic rise in gasoline, diesel and heating oil prices in the summer of 2008. Your efforts were instrumental in sending a message to Wall Street that the days of excessive risk taking are over.

PMAA represents 8,000 independent petroleum marketing companies who represent wholesaler and retailers of gasoline, diesel, heating oil, lubricants and renewable fuels. PMAA marketers own 60,000 gasoline stations and supply motor fuels to 40,000 independently owned retail outlets and heating oil to seven million homes and businesses. NEFI is a member of PMAA, and an independent trade association representing the home heating industry since 1950. NEFI represents over 1,000 home heating oil and propane retailers and related service companies in New England and throughout the northeastern United States, most of which are small, multi-generational family owned- and operated- businesses. AOMA was formed in 1942 "to foster a cooperative spirit" among petroleum marketers. Today, in addition to the service station, AOMA members own, operate or sell to convenience stores and end-user accounts.

Passage of the Dodd-Frank Wall Street Reform bill (P.L.111-203) was a testament to the hard work and dedication by you and your Committee staff to rid the market of the unwarranted excessive speculative behavior taken by Wall Street trading desks at the expense of the American economy. Many PMAA, NEFI and AOMA companies use derivatives to manage risk in order to provide their customers with predictable and affordable energy bills. We supported your draft derivatives proposal early on in the legislative process because it required speculative traders to conduct trades on a regulated exchange or swap execution facility and clear their transactions through a clearinghouse as well as subject speculative traders to aggregate position limits. We also supported your draft bill because it exempted end-users like PMAA, NEFI and AOMA companies from clearing and margin requirements if they are doing so for commercial reasons. Without your tough draft derivatives legislation, final legislation would not have been where it needed to be to address the inequities in the oil futures market.

Again, PMAA, NEFI and AOMA would like to thank you for your hard work and dedication on this critical issue.

Sincerely,

Dan Gilligan
PMAA President

Shane Sweet
President & CEO

Ann Hines
President