

Congress of the United States

Washington, DC 20510

March 5, 2012

The Honorable Gary Gensler
Chairman
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

The Honorable Bart Chilton
Commissioner
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

The Honorable Mark Wetjen
Commissioner
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

The Honorable Jill Sommers
Commissioner
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

The Honorable Scott O'Malia
Commissioner
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Dear Chairman Gensler, and Commissioners Chilton, Wetjen, Sommers, and O'Malia:

We are writing to urge you to immediately enact strong position limits to eliminate excessive oil speculation as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. As you know, the Dodd-Frank Act mandated that your agency promulgate and enforce such limits no later than January 17, 2011. We are disappointed that, more than a year later, the Commission has not fulfilled this important regulatory duty.

Congress determined that speculative position limits are an effective and critically important tool to address excessive speculation in America's oil and gasoline markets. It is one of your primary duties--indeed, perhaps your most important--to ensure that the prices Americans pay for gasoline and heating oil are fair, and that the markets in which prices are discovered operate free from fraud, abuse, and manipulation.

There has been a major debate over the last several years as to whether spikes in oil prices are caused entirely by the fundamentals of supply and demand or whether excessive speculation in the oil futures market is playing a major role. It is clear to us that debate has ended. Exxon Mobil, Goldman Sachs, the Saudi Arabian government, the American Trucking Association, Delta Airlines, the Petroleum Marketers Association of America, and even a report last year from the St. Louis Federal Reserve have all indicated that excessive oil speculation significantly increases oil and gasoline prices. According to a February 27, 2012

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article in *Forbes*, excessive oil speculation “translates out into a premium for gasoline at the pump of \$.56 a gallon” based on a recent report from Goldman Sachs.

The facts bear this out. According to the Energy Information Administration, the supply of oil and gasoline is higher today than it was three years ago, when the national average price for a gallon of gasoline was just \$1.90. And, while the national average price of gasoline is now over \$3.70 a gallon, the demand for oil in the U.S. is at its lowest level since April of 1997. Nor is the global supply of oil at issue. According to the International Energy Agency, in the last quarter of 2011 the world oil supply rose by 1.3 million barrels per day while demand only increased by 0.7 million barrels per day. Yet, during this same period, the price of Texas light sweet crude rose by over 12%. Meanwhile, oil speculators now control over 80 percent of the energy futures market, a figure that has more than doubled over the past decade.

As the cost for American people to fill their gas tanks continues to skyrocket, the CFTC continues to drag its feet on imposing strict speculation limits to eliminate, prevent, or diminish excessive oil speculation as required by the Dodd-Frank Act. Although the CFTC has adopted initial position limits, they are not strong enough and not yet in force owing to industry opposition, delays in swaps oversight and data collection. This is simply unacceptable and must change.

We urge you to take immediate action to impose strong and meaningful position limits, and to utilize all authorities available to you to make sure that the price of oil and gasoline reflects the fundamentals of supply and demand. This could entail promulgation of rules only with regard to the currently regulated exchange markets. Swaps rules should also be implemented immediately, but even so, waiting for swaps rules to trigger all position limits is simply not adequate to protect consumers. We urge you to develop alternative methods of moving forward and to do so as swiftly and expeditiously as possible.

We have a responsibility to ensure that the price of oil is no longer allowed to be driven up by the same Wall Street speculators who caused the devastating recession that working families are now experiencing. That means that the CFTC must do what the law mandates and end excessive oil speculation once and for all.

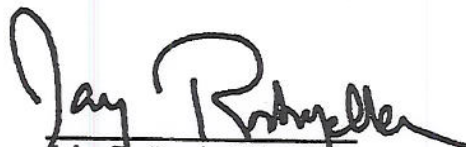
Thank you for your attention to this important matter. We look forward to receiving your response.


Bernard Sanders
United States Senator

Sincerely,

Bill Nelson
United States Senator


Ron Wyden
United States Senator


John D. Rockefeller IV
United States Senator

Carl Levin
Carl Levin
United States Senator

Joe Manchin III
Joe Manchin III
United States Senator

Amy Klobuchar
Amy Klobuchar
United States Senator

Al Franken
Al Franken
United States Senator

Patrick Leahy
Patrick Leahy
United States Senator

Barbara Mikulski
Barbara Mikulski
United States Senator

Richard Blumenthal
Richard Blumenthal
United States Senator

Bob Casey, Jr.
Robert P. Casey, Jr.
United States Senator

Jeff Merkley
Jeff Merkley
United States Senator

Sherrod Brown
Sherrod Brown
United States Senator

Ben Cardin
Benjamin Cardin
United States Senator

Robert Menendez
Robert Menendez
United States Senator

Tom Udall
Tom Udall
United States Senator

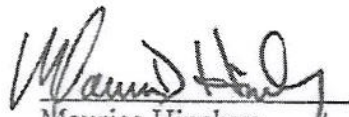
Mark Begich
Mark Begich
United States Senator

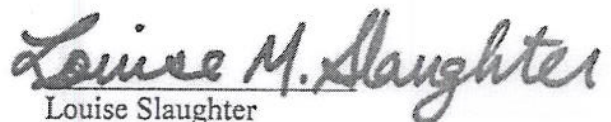
Mark Pryor
Mark Pryor
United States Senator

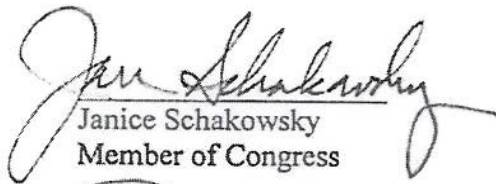
Barbara Boxer
Barbara Boxer
United States Senator

Daniel Akaka
Daniel Akaka
United States Senator

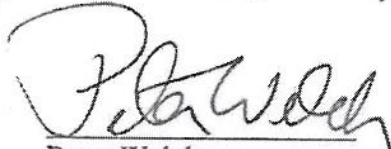
Sheldon Whitehouse
Sheldon Whitehouse
United States Senator

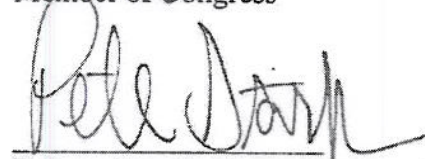

Maurice Hinchey
Member of Congress

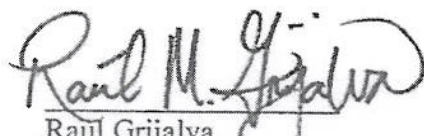

Louise Slaughter
Member of Congress

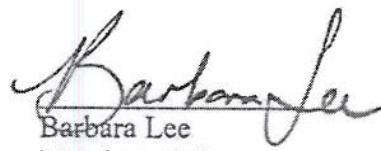

Janice Schakowsky
Member of Congress


Peter DeFazio
Member of Congress



Peter Welch
Member of Congress

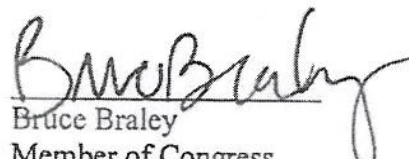

Fortney Pete Stark
Member of Congress

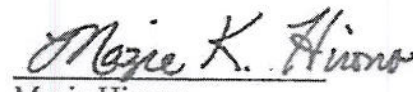

Raúl Grijalva
Member of Congress

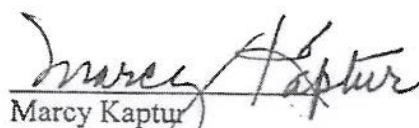

Barbara Lee
Member of Congress

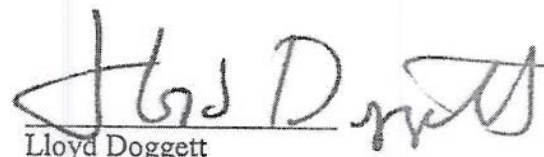

Zoe Lofgren
Member of Congress

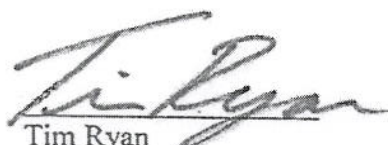

Dennis Kucinich
Member of Congress

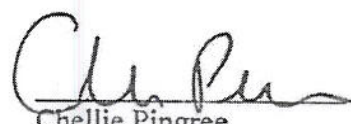

Bruce Braley
Member of Congress

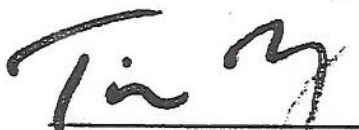

Mazie Hirono
Member of Congress


Marcy Kaptur
Member of Congress



Lloyd Doggett
Member of Congress


Tim Ryan
Member of Congress


Chellie Pingree
Member of Congress


Timothy Bishop
Member of Congress


Dale Kildee
Member of Congress


Michael Honda
Member of Congress


Brian Higgins
Member of Congress

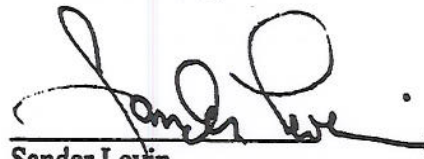

Paul Tonko
Member of Congress



Leonard Boswell
Member of Congress

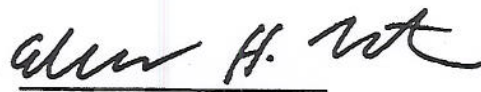

Mike Quigley
Member of Congress



Joe Donnelly
Member of Congress


Bob Filner
Member of Congress


Sander Levin
Member of Congress


Bill Pascrell, Jr.
Member of Congress



Eleanor Holmes Norton
Member of Congress

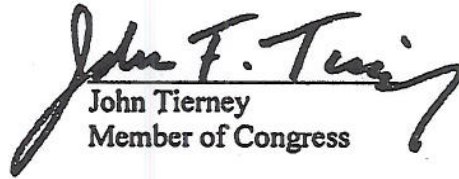

Bobby Rush
Member of Congress


Jackie Speier
Member of Congress

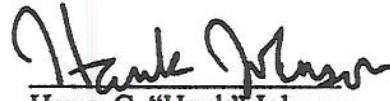

Suzanne Bonamici
Member of Congress

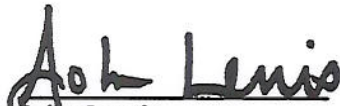

Nick Rahall
Member of Congress



Anna Eshoo
Member of Congress


John Tierney
Member of Congress


Michael Michaud
Member of Congress


Henry C. "Hank" Johnson
Member of Congress


John Lewis
Member of Congress


John Olver
Member of Congress



Gerald E. "Gerry" Connolly
Member of Congress


Rosa DeLauro
Member of Congress


Jim McDermott
Member of Congress



John Conyers, Jr.
Member of Congress


Marcia Fudge
Member of Congress

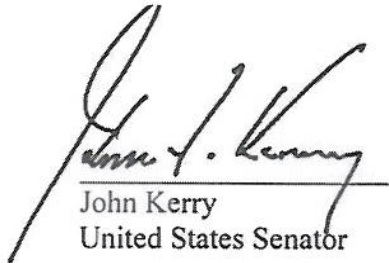

Gary Ackerman
Member of Congress

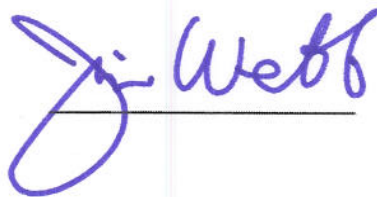

David Cicilline
Member of Congress


Jack Reed
United States Senator


Lucille Roybal-Allard
Member of Congress


Tammy Baldwin
Member of Congress


John Kerry
United States Senator


Jim Webb
