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

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.

Sincerely,

Bernard Sanders
United States Senator

Bill Nelson
United States Senator

Ron Wyden
United States Senator

John D. Rockefeller IV
United States Senator

Carl Levin
United States Senator

Joe Manchin III
United States Senator

Amy Klobuchar
United States Senator

Al Franken
United States Senator

Patrick Leahy
United States Senator

Barbara Mikulski
United States Senator

Richard Blumenthal
United States Senator

Robert P. Casey, Jr.
United States Senator

Jeff Merkley
United States Senator

Sherrod Brown
United States Senator

Benjamin Cardin
United States Senator

Robert Menendez
United States Senator

Tom Udall
United States Senator

Mark Begich
United States Senator

Mark Pryor
United States Senator

Barbara Boxer
United States Senator

Daniel Akaka
United States Senator

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

Raul 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