

Congress of the United States
Washington, DC 20515

10-2
112

C.F.T.C.
OFFICE OF THE SECRETARIAT
2010 APR 26 PM 3 51

April 22, 2010

U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

COMMENT

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

We are writing you today to support the Commission's efforts to rid the futures market of excessive speculation with its proposed rulemaking to establish new speculative position limits on energy contracts. We welcome the Commission's proposed rulemaking as an important step in the right direction toward reducing excessive speculation in the energy futures markets. We also urge the Commission to strengthen its proposal in order to effectively capture excessively leveraged speculators who continue to wreak havoc on American businesses and consumers.

The Commission should maintain the strongest oversight of the futures and options markets in their proposed rulemaking. Three specific areas of importance include a low threshold for explicit and aggregate position limit levels to capture more excessively leveraged speculators; limiting large, passive long positions, including those associated with commodity indexes such as exchange traded funds, which will prevent market distortions and mitigate oil price volatility; and maintaining a narrow exemption for bona-fide hedging that does not incorporate large swap dealers and financial speculators under the exemption. By setting lower aggregate position limits for index traders and all energy-related components of spread and index contracts across all markets, the Commission can more efficiently stabilize futures markets and prevent volatility that can result from large amounts of funds moving into and out of market positions. A narrow bona-fide hedging exemption will also prevent speculators from evading regulations and causing increased market volatility.

Wall Street banks continue to argue that the Commission does not have the authority to regulate the over-the-counter (OTC) derivatives marketplace. We disagree with this argument. Until Congress completes its work on comprehensive financial reform legislation this year, we believe the Commission should use its existing authority to implement aggregate position limits across all markets to take into account market participants' full trading positions in the OTC market, exempt commercial markets (ECMs) and foreign boards of trade (FBOTs) offering direct access to contracts in the U.S in order to prevent excessive speculation and manipulation.

We urge the Commission to not wait for Congressional action giving them the authority to establish clearinghouses for non-commercial market participants to post margin/collateral, which

will reduce highly leverage commodity bets. The Commission has the power to set position limits now, so we urge you to take these comments into consideration as you review the thousands of comments that the Commission will receive over the next few weeks.

We appreciate the Commission's efforts to rid the market of excessive risk taking by Wall Street investment banks at the expense of the American public. Bringing transparency and accountability to the derivatives marketplace will continue to be the top priority of ours in Congress, however, we urge you to impose aggregate position limits on non-commercial speculators immediately to bring fairness to the marketplace – thus, restoring the fundamentals of supply and demand.

Feel free to contact Mary Sprayregen (Welch) at 202-225-4115 or Justin Hagel (Stupak) at 202-225-4735 with any questions.

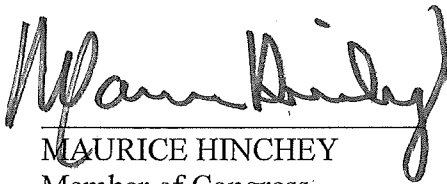
Sincerely,



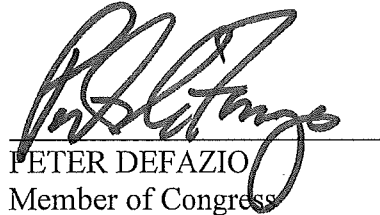
PETER WELCH
Member of Congress



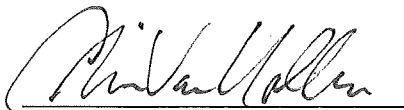
BART STUPAK
Member of Congress



MAURICE HINCHEY
Member of Congress



PETER DEFAZIO
Member of Congress



CHRIS VAN HOLLEN
Member of Congress