

From: r8rhocky@sover.net
Sent: Tuesday, April 13, 2010 10:59 AM
To: secretary <secretary@CFTC.gov>
Subject: Comments on Proposed Speculative Position Limits for Energy (File #10-002)

Terry Moran
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April 13, 2010

David Stawick
Secretary, U.S. CFTC
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Dear Mr. Stawick:

I am writing today to endorse comments submitted by the Petroleum Marketers Association of America and the New England Fuel Institute submitted on April 9, 2010 on the proposed rule to implement speculative position limits for futures and options contracts for natural gas, crude oil, heating oil and gasoline. I am also writing to add my own thoughts on this matter to the public record.

Up until August of 2009 I owned and operated a 117 year old, fourth generation fuel supply business. The speculation that has driven prices up and down, in essence, manipulation of the market, has in effect allowed individuals and their companies to reap large profits by controlling which direction the market is going to go and operating with that inside information. I found that it was no longer worth it to continue to operate when the predictability of the market was no longer dependent on true market forces but left to the whimsical desires of a few very greedy and unscrupulous parties operating outside the rules without oversight or concern for those of us operating honestly. I have sold my business, suffered a stroke, lost a good deal of money and equity in my company and watched many of my customers suffer large losses and remain incapable of paying their heating bills from the last two years. Washington (House and Senate, as well as regulators) in my eyes are out of touch with how the rest of us have to live in these times and don't appear to care. It's taken far too long for any action to take place and most of us at the Main Street level have lost faith in our "leadership". If you're really interested in fixing the problem it's time for action.

Futures markets were designed as a tool for bona fide commercial businesses and end-users to manage risk and "discover" prices for energy based on supply and demand economics. Businesses and consumers rely on these markets and are harmed when they become excessively volatile or subject to extreme price shocks, as we saw with the 2007-2008 energy

bubble. In the past ten years, such events have become common and federal regulators failed to take assertive action to address the causes and to restore confidence in the energy futures markets.

By strengthening and passing this proposed rulemaking, the Commission has an opportunity to take an important step in this regard. It will begin addressing the main cause of recent market instability - excessive speculation. Financial investors, including banks, hedge funds and index funds, speculate in the energy commodities markets for profit, rather than commodity-related businesses and users, who do so to protect themselves from volatility and risk. Speculators take on the risk that hedgers seek to shed, however speculation should not dominate the markets. Moreover, one speculator or class of speculator should not be allowed to take a large, controlling position in any a single commodity.

The Commission has a statutory obligation, if not a compelling moral obligation, to establish hard limits on the size of positions that speculators can take in these markets, and to bar them from any exemptions. The rule that has been proposed is not perfect, and again, I strongly urge the technical improvements suggested by the comments I have written to endorse.

In considering the rule, Commissioners must look past opposition by the financial community and remember the affect that excessive speculation has on businesses like mine, my consumers and the broader economy. It should establish restrictive speculative position limits, and implement them expeditiously, before we see a repeat of the 2007-2008 energy bubble and another major shock to a country still recovering from recession.

Thank you for your consideration.

Sincerely,

Terry Moran
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