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“Providing Honest Service at a Fair Price”

As a petroleum marketer and retailer, I am writing to voice my support for immediate adoption of proposed rule (**RIN 3038-AD15 and 3038-AD16 Position Limits for Derivatives**).

After years of highly volatile commodity markets, the CFTC is finally poised to impose position limits for physical commodities. Dozens of studies by industry experts, economists, academics, and committees in Congress, as well as direct comments to CFTC thru prior rulemaking initiatives and working groups serve only to reinforce the need for meaningful position limits in the commodity markets and therefore adoption of this rule.

I have fully supported my industry trade associations in their efforts to communicate broad industry concerns with a market structure that seemingly no longer serves a valid price discovery function. Massive positions held by speculators have contributed to price volatility that is simply unrelated to supply and demand fundamentals. The recent upheaval in the Middle East only reinforces the urgent need to enforce immediate individual and aggregate position limits on speculators in the commodities markets.

My industry notices the impacts of price volatility every day. Over the last few weeks, rack prices have skyrocketed which has detrimentally impacted petroleum marketers and retailers. Many businesses in my industry engage in hedging to protect acquisition costs and take delivery of the product that we, in turn, sell to customers. That simple transaction is now more expensive because hedging costs for product acquisition have increased due to speculation in the market. We see it every day and our customers see it. This rule, in combination with the Commission's overall regulatory structure, is the best hope to return price stability to commodity markets.

Title VII of the Wall Street Reform Act has acknowledged the potential harm of excessive speculation and has reaffirmed the importance of position limits by providing the Commission with new authorities to impose such limits on currently unregulated markets. I believe the Commission understands its responsibility under existing law to prevent excessive speculation as an undue and unnecessary burden on interstate commerce.

Commodities are vital resources to American industries, businesses and consumers. Well functioning markets are critical to commodity price discovery. Position limits, as proposed in this rule, will play a critical role in reestablishing market fundamentals. I urge adoption of this rule.

I thank you for your consideration,

Sincerely,
Dave Marcotte
Business Manager
Champagne's Energy

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