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CFTC

Commissioner Gensler,

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COMMENT

OFFICE OF THE  
SECRETARY

I am writing to complain about the lack of regulating going on in regards to the trading on oil futures. The speculators and the oil companies are colluding to artificially drive the price of oil (and as a result gas) higher, forcing people to pay exorbitant amounts at the pump for gas. Gas prices are now \$3.57 for a gallon of regular gas in NJ, a price that is insanely high (and almost a full dollar higher than 1 year ago). These prices are causing a financial strain for both myself and many of the people I know, as I have to work the rising costs of gasoline into my budget, which I have to keep balanced since I am not the government.

The prices are a major cause for concern for several reasons. Most of the talk from speculators is that the prices are rising due to the conflict in Libya. They seem to think people are stupid and will not be able to determine that Libya ships 2% of the world's oil, with most of those shipments going to Europe. Half of Libya's production has been covered by the other OPEC members anyway, further devaluing this claim. Yet due to this conflict these speculators have taken this opportunity to make a fortune for both themselves and the oil companies by jacking up the price of oil. Also, in July of 2008, when oil was trading at \$147 a barrel, gas prices in NJ were \$4.09 a gallon. As of today, oil was trading at \$108 a barrel, and gas prices are \$3.57 a gallon. I am not sure how that even makes sense. At this rate, if oil rises back to \$147 a barrel, we will be paying \$4.86 a gallon in NJ. These prices are out of control, and it is due to the speculators, who I believe are being paid off by the oil companies to drive the prices up so that they can maximize profits whenever someone coughs in the Middle East.

I would also like to point out that oil companies continue to post record profits, regardless of how oil is doing in the market. If the price of oil rises, they should be struggling with the rising price just like everyone else is, however they continue to post record profits quarter after quarter. The only logical explanation for this is that they are gouging the consumers at the pump and using the rising price of oil as a reason for it.

There are two fairly obvious solutions to this problem: We can either ban the trading of oil futures on the market or the CFTC could implement a stricter set of rules with much harsher punishments for breaking them. Restrictions need to be set to control the volatility of the market. It is a financial strain on 90% of the country, yet it will continue to happen because they can continue to do it with no repercussions. Serious penalties need to be implemented, including incredibly long prison sentences for first time offenders.

There is currently an enormous surplus of oil in the US, but the price of it continues to rise uncontrollably with no end in sight. This is purely from speculators jacking up the price so the oil companies will pay them off from the record amounts of money they are making. Banning the trading of oil futures prevents speculators from being able to artificially jack up the prices and prevents big oil from being able to manipulate the market as they have been able to do. Before the market was deregulated in 2000, gas cost 99 cents a gallon. As soon as speculators were allowed to trade in oil futures, the prices skyrocketed, culminating in the \$4.09 a gallon in July of 2008. Then the economy crashed, and it will

crash again very soon if these people are not controlled by the CFTC and punished for manipulating the market.

I am disappointed in the lack of action being taken by the CFTC in preventing this price manipulation that has been occurring for the past 2 months. The prices will never come down because no one is holding these speculators accountable. Something needs to be done. I believe the CFTC should push for the banning of trading oil futures on the stock market. This is the only way to control the prices and not let the speculators and oil companies control the market and price gouge everyone in the country. Oil futures need to be taken out of the hands of speculators!

Thank you in advance for your help in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Frank Constantinople".

Frank Constantinople