WASHINGTON, DC – Congressman Joe Courtney has written to the commissioners of the Commodity Futures Trading Commission (CFTC), urging them to undertake overdue action to implement rules that will reduce the influence of speculators in the energy market and rein in escalating gas prices. Although the CFTC voted in October of 2011 to impose position limits in the commodities market, implementation of the limits is contingent upon stalled action on related rule-making and definition-setting.

"The need for immediate, aggressive action is clear," **Congressman Courtney wrote.** "We cannot continue to allow our markets to be overrun by speculators who have no commercial connection to the production or distribution of these essential goods, especially as families' budgets in Connecticut and throughout the country continue to be squeezed by exorbitant energy prices."

CFTC Commissioner Bart Chilton last week voiced his own displeasure with the process, and also called on his colleagues to expedite the process:

"I'm sorely disappointed that it has been five months since the Commission voted on this rule, and nothing—nothing—has moved forward to begin to impose position limits and address excessive speculation," Commissioner Chilton said. "I understand all the arguments about needing data, but I'm tired—and the American public is tired—of waiting for a swaps definition rule to be promulgated in order for position limits to be effective. There are things we can and should do now, and today I'm calling for them to be done, NOW.

"Specifically, in addition to imposition of spot month limits in the 28 referenced contracts in futures and options on DCMs, I am calling for a rule withdrawing the ability of exchanges to utilize position accountability levels in non-spot months for these contracts, and effectively setting limits in non-spot months. Alternatively, if we can get a swaps definition out there—now—the position limits rule can go into effect in 60 days. And I know there may be intractable issues. If that remains the case that would slow down the rule, put those few issues on a separate track and get out the main rule now. I am today, requesting that the agency move on one of these two paths in order to get position limits in place, as ordered by Congress. This is something we can do to protect the American public and to carry out our mandate of ensuring fair prices for consumers. I am mystified as to why we would not aggressively pursue this."

The full text of Rep. Courtney's letter to the CTFC commissioners is below, and it can be downloaded at this link .

February 24, 2012

Dear Commissioners:

I write today to urge your immediate and aggressive action to curb the influence of excessive speculation in our energy markets.

Excessive speculation in the commodities markets has caused unreasonable and unwarranted energy price fluctuations, resulting in market volatility and leaving American consumers and businesses with a substantial and unnecessary economic burden. It is no question that Wall Street speculators continue to drive up the cost of oil and will continue to do so as long as these long-delayed rules fail to be implemented. To protect markets and consumers from this excessive speculation, Congress targeted new regulations for the previously unregulated derivatives market in the Dodd-Frank Wall Street Reform and Consumer Protection Act.

I appreciate that the Commission's majority followed the law and voted to impose position limits in the commodities markets last October. However, it has been months since the Commission has taken necessary further action to put these rules into action. In that time, this critical problem and its impact on our nation's families and small businesses has only intensified.

Consider, for example, that during the week ending February 14, 2012, oil speculators made up 64 percent of all contracts traded while the producers and merchants – those taking physical delivery of the product – made up only 36 percent. During the week that followed, the national price of regular, unleaded gasoline climbed 6.8 cents to $3.59, the highest level in nine months. During that same period, gas prices in my home state of Connecticut reached an average of $3.87 per gallon and are only expected to rise.

The need for immediate, aggressive action is clear. We cannot continue to allow our markets to be overrun by speculators who have no commercial connection to the production or distribution of these essential goods, especially as families' budgets in Connecticut and throughout the country continue to be squeezed by exorbitant energy prices. In an effort to add much needed stability to our volatile commodities markets, I urge the Commission to move forward with implementing the position limits they finalized in October.

Given that further implementation of these limits is contingent upon stalled action on related rule-making and definition-setting under Dodd-Frank, I urge the Commission to move forward – now – so that these limits can go into effect as soon as possible. Further, I urge the commission not to allow legal challenges and excessive data collection to further delay implementation of these rules. Simply put, every day that these rules are not in place is another day that they do not provide the American people the relief they so urgently need from the impact of excessive speculation in our commodities markets.

I share the frustration of my constituents in waiting for action on this important issue and the real world impact of these continued delays. Completion and implementation of these rules is critical to taking the first steps towards protecting against the excessive speculative commodity trading that continues to drive up our energy costs.

Sincerely,

JOE COURTNEY

Member of Congress

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