

COMMODITY MARKETS OVERSIGHT COALITION

An Alliance of Commodity Derivatives End-Users and Consumers

February 29, 2012

The Hon. Harold Rogers, Chairman
Committee on Appropriations
U.S. House of Representatives
H-307 Capitol Building
Washington, DC 20515

The Hon. Norman D. Dicks, Ranking Member
Committee on Appropriations
U.S. House of Representatives
1016 Longworth House Office Building
Washington, DC 20515

The Hon. Daniel K. Inouye, Chairman
Committee on Appropriations
United States Senate
S-128 Capitol Building
Washington, DC 20510

The Hon. Thad Cochran, Ranking Member
Committee on Appropriations
United States Senate
S-128 Capitol Building
Washington, DC 20510

Dear Chairmen Rogers and Inouye, and Ranking Members Dicks and Cochran:

The undersigned members of the Commodity Markets Oversight Coalition write to endorse the administration's Fiscal Year 2013 budget request of \$308 million for the Commodity Futures Trading Commission. We believe this funding level is necessary to ensure the oversight, transparency and stability necessary for the proper functioning of our nation's commodity markets and to ensure adequate protections for commodity hedgers and commercial end-users.

The CMOC is an independent, non-partisan and non-profit alliance of organizations that represents commodity-dependent industries, businesses and end-users that rely on functional, transparent and competitive commodity derivatives markets as a hedging and price discovery tool. The coalition advocates in favor of government policies that promote stability and confidence in the commodities markets, that seek to prevent fraud, manipulation and excessive speculation, and that preserve the interests of bona fide hedgers and consumers.

While we acknowledge the deficit crisis our country faces and commend Congressional leaders for their calls to rein in federal spending, the Commission must be funded sufficiently to exercise its statutory responsibilities. For more than a decade, the CFTC has been underfunded, understaffed, and under-resourced. All the while it has faced complex new market trends and technologies, a vast expansion of authority over unregulated over-the-counter swaps markets, and challenges to market stability and security, including the recent bankruptcy of commodity brokerage firm MF Global. The collapse of MF Global illustrates the importance of rigorous market surveillance, accountability and consumer protections.

By CFTC Chairman Gary Gensler's own admission, the current funding level of \$205 million is wholly insufficient to meet these challenges. Furthermore, failing to provide this important financial regulator with needed funds could further jeopardize security, stability and confidence in the commodity markets and adequate consumer protections.

As businesses that depend on competitive, transparent and functional commodity derivatives markets, we urge Congressional appropriators to provide the Commission with the amount of \$308 million as requested by the administration for Fiscal Year 2013.

Thank you in advance for your thoughtful consideration.

Sincerely,

Airlines for America
American Feed Industry Association
American Public Gas Association
American Public Power Association
American Trucking Associations
Colorado Petroleum Marketers Association
Consumer Federation of America
Florida Petroleum Marketers Association
Fuel Merchants Association of New Jersey
Gasoline & Automotive Service Dealers of America
Independent Connecticut Petroleum Association
Institute for Agriculture and Trade Policy
Louisiana Oil Marketers & Convenience Store Association
Maine Energy Marketers Association
Massachusetts Oilheat Council
Montana Petroleum Marketers & Convenience Store Association
National Association of Oil & Energy Service Professionals
National Association of Truck Stop Operators
National Family Farm Coalition
National Farmers Union
New England Fuel Institute
New Jersey Citizen Action Oil Group
New Mexico Petroleum Marketers Association
New York Oil Heating Association
Oil Heat Council of New Hampshire
Oil Heat Institute of Long Island
Oil Heat Institute of Rhode Island
Organization for Competitive Markets
Petroleum Marketers & Convenience Store Association of Kansas
Petroleum Marketers & Convenience Stores of Iowa
Petroleum Marketers Association of America
Public Citizen
Ranchers-Cattlemen Acton Legal Fund (R-CALF) USA
Society of Independent Gasoline Marketers of America
Vermont Fuel Dealers Association
West Virginia Oil Marketers and Grocers Association
Wyoming Petroleum Marketers Association

cc: Chairman Gary Gensler, Commodity Futures Trading Commission
Commissioner Jill Sommers, Commodity Futures Trading Commission
Commissioner Bart Chilton, Commodity Futures Trading Commission
Commissioner Scott O'Malia, Commodity Futures Trading Commission
Commissioner Bart Chilton, Commodity Futures Trading Commission
Rep. Jack Kingston, Chairman, House Appropriations Subcommittee on Agriculture
Rep. Sam Farr, Ranking Member, House Appropriations Subcommittee on Agriculture
Rep. Frank D. Lucas, Chairman, House Committee on Agriculture
Rep. Collin Peterson, Ranking Member, House Committee on Agriculture
Rep. Fred Upton, Chairman, House Committee on Energy & Commerce
Rep. Henry A. Waxman, Ranking Member, Committee on Energy & Commerce
Sen. Richard Durbin, Chairman, Senate Appropriations Subcommittee on Financial
Services and General Government
Sen. Jerry Moran, Ranking Member, Senate Appropriations Subcommittee on Financial
Services and General Government
Sen. Debbie Stabenow, Chairwoman, Senate Committee on Agriculture, Nutrition & Forestry
Sen. Pat Roberts, Ranking Member, Senate Committee on Agriculture, Nutrition & Forestry
Sen. Jeff Bingaman, Chairman, Senate Committee on Energy & Natural Resources
Sen. Lisa Murkowski, Ranking Member, Senate Committee on Energy & Natural Resources