COMMODITY MARKETS OVERSIGHT COALITION

An Alliance of Commodity Derivatives End-Users and Consumers

FOR IMMEDIATE RELEASE

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COMMODITY END-USERS APPLAUD CFTC ACTION ON SPECULATION LIMITS

Coalition also Commends Outgoing Commissioner Chilton for Commitment to Reform

WASHINGTON, DC (November 5, 2013) – A non-partisan alliance of industry and consumer groups today praised the Commodity Futures Trading Commission (CFTC) for moving forward with a revised rule to limit speculative positions in commodity futures and swaps.

The Commodity Markets Oversight Coalition (CMOC) has represented the interests of *bona fide* end-users of commodity derivatives since 2007. The group applauded today's approval of a draft rule to establish individual limits on speculative positions in commodities as required by Congress under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

"We view position limits as necessary to combat extreme price volatility and to guard against potential manipulation of vital U.S. commodities, from oil to corn," said Jim Collura, a spokesman for the coalition.

"Excessive speculation threatens the welfare of the U.S. economy, harms American consumers and jeopardizes the ability of hedgers to guard effectively against price risks," he said. "Congress clearly understood this when it first authorized position limits nearly 80 years ago and why it mandated them in 2010."

The CFTC is proposing revisions to an October 2011 rule to impose position limits in commodity derivatives such as futures and swaps. The original position limits rule was vacated by a District Court Judge in September of 2012 citing a failure by the CFTC to resolve perceived statutory ambiguities in its final rule. The newly proposed rule seeks to resolve these ambiguities and address the Court's concerns.

When the 2011 rule was published, the Commodity Markets Oversight Coalition expressed concern about the efficacy of the initial limit of 25 percent of deliverable supply. Once today's Notice of Proposed Rulemaking is published in the Federal Register it will begin a 60 day comment period in which the CFTC will solicit input from the public on ways to improve the rule. Collura said the coalition will encourage all member organizations - including groups that represent farmers, petroleum marketers, truckers and airlines - to submit comments.

"Fuel is airlines single largest expense, and it's also the most volatile. An increase of just a penny a gallon costs the airlines – and customers – $180 million," said David Berg, General Counsel for Airlines for America, a founding member of the coalition. "That's why it's so important that this process produce the strongest possible rule to protect American businesses and consumers from unwarranted price spikes."

"It is very important that this process produce the strongest possible rule to protect American businesses and consumers from unwarranted prices spikes and to restore confidence in these markets," he said.

Commissioner Bart Chilton also announced his retirement today. "The Commissioner has been a champion of end-users and consumers," Collura said. "He leaves behind a legacy of positive reforms and will be missed."

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The CMOC is a non-partisan alliance that represents commodity-dependent American businesses, end-users and consumers. Our members rely on functional, transparent and competitive commodity derivatives markets as a hedging and price discovery tool. As a coalition we favor policies that promote market stability and confidence, prevent fraud and manipulation, and preserve the interests of bona fide hedgers and American consumers.