



U.S. Commodity Futures Trading Commission
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Bart Chilton
Commissioner

March 6, 2012

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The Honorable Bernard Sanders
United States Senator
332 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Bill Nelson
United States Senator
716 Hart Senate Office Building
Washington, DC 20510

Dear Senators Sanders, Nelson and Members of Congress:

Thank you for your March 5, 2012 letter to the CFTC calling for an immediate end to excessive oil speculation. I want to thank you for your leadership in sending this important message to the agency: inaction is no longer acceptable and that it is incumbent upon us to utilize our regulatory authority as you instructed and impose position limits in energy trading markets now.

As I recently noted, speculative activity in these markets has a direct and immediate effect on American households. For example, drivers of Ford F-150s will spend over \$700 more per year to fill their tanks as a result of speculative crude oil trading. It's not our job to make sure prices are high or low, but rather to make sure they are fair, and that is simply not fair. -And that's why we need to act and act now.

I have drafted specific regulatory language that would, in effect, limits excessive speculative trading, and in so doing put in place needed safeguards for American consumers within soon (within a month, but certainly not more than 60 days). I am urging our agency to move expeditiously on such a rulemaking.

In addition, I have suggested that it is perhaps time to consider making "massive passive" traders a separate registration classification category. While position limits will ensure that no single trader has excessive concentration levels, I am concerned that this class of speculators has, in concert--although not in coordination, pushed prices farther than they would normally go and has kept them at those levels for longer.

Again, I thank you for your letter and for your efforts to help ensure that these critically important markets operate free from fraud, abuse, and manipulation.

Sincerely,



Bart Chilton
Commissioner

cc:

The Honorable Ron Wyden
United States Senator
223 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Carl Levin
United States Senator
269 Russell Senate Office Building
Washington, DC 20510

The Honorable Amy Klobuchar
United States Senator
302 Hart Senate Office Building
Washington, DC 20510

The Honorable Patrick Leahy
United States Senator
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The Honorable Richard Blumenthal
United States Senator
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The Honorable Jeff Merkley
United States Senator
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The Honorable Benjamin Cardin
United States Senator

The Honorable John D. Rockefeller IV
United States Senator
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The Honorable Joe Manchin III
United States Senator
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The Honorable Al Franken
United States Senator
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The Honorable Barbara Mikulski
United States Senator
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The Honorable Robert P. Casey, Jr.
United States Senator
393 Russell Senate Office Building
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The Honorable Sherrod Brown
United States Senator
713 Hart Senate Office Building
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The Honorable Robert Menendez
United States Senator