United States Senate
WASHINGTON, DC 20510-0905

January 12, 2011

Gary Gensler
Chairman
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

Dear Chairman Gensler,

We are extremely concerned by the recent efforts of Wall Street and the financial industry to undermine new limits on speculation in oil and commodity markets. We urge you to quickly and aggressively implement the position limits imposed on speculators in oil, food, and other commodities by the Dodd-Frank Wall Street Reform and Consumer Protection Act.

The growing role of hedge funds, financial traders, and long-term passive investors in energy and other commodity markets has had devastating consequences for the average American. These speculators have contributed to rising volatility and periodic price spikes in the cost of gasoline and food. These concerns informed our efforts to reform the Commodity Exchange Act in the Dodd-Frank legislation. It is critical that the Commodity Futures Trading Commission fully execute these changes.

As you know, section 737 of the Dodd-Frank Act directs the Commission to "establish limits on the amount of positions, as appropriate, other than bona fide hedge positions, that may be held by any person." The legislation further directs that the limits be set "to diminish, eliminate, or prevent excessive speculation." In addition to position limits on specific persons, the Dodd-Frank Act also directed the Commission to establish limits on the aggregate number or amount of positions in contracts based upon the same underlying commodity that may be held by any group or class of traders.

In short, to combat excessive speculation in oil and other commodities, Congress directed the Commission to enact new and meaningful restrictions on the size of investors' commodity holdings. And by directing the Commission to establish aggregate limits on the positions held by any group or class of traders, Congress intended for the Commission to act aggressively to prevent the harmful and damaging effects of excessive, broad-based speculation in commodity markets.

It has become increasingly clear that Wall Street seeks to use the rulemaking process to eviscerate the new position limits. We urge you to reject calls to delay the new rules. We also urge you to reject requests to exempt broad categories of derivatives, or to broaden the definition of bona fide hedging to include investment-related hedging. Moreover, firms and investors should not be able to circumvent the limits by "disaggregating" the investments they make through different funds. These requests are little more than an effort to open a back door to the commodity markets for Wall Street insiders.

We appreciate the steps you have taken in implementing the far-reaching reforms enacted in the Dodd-Frank Act. We believe the individual and aggregate position limits are a critical tool for reining in excessive speculation in commodity markets. We urge you to move boldly to protect the interests of middle-class Americans by putting in place strong new position limits, and we ask that you brief us as soon as possible on the status of these efforts.

Sincerely,

Bill Nelson

Bill Nelson

Maria Cantwell

Maria Cantwell

Bernard Sanders

Bernard Sanders

Patty Murray

Patty Murray

Carl Levin

Carl Levin

Sheldon Whitehouse

Sheldon Whitehouse

Robert Menendez

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