



UNITED STATES SENATE
WASHINGTON, D.C. 20510

September 18, 2012

The Honorable Gary Gensler
Chairman
U.S. Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, District of Columbia 20581

Dear Chairman Gensler,

I am writing to urge immediate and strong enforcement of the newly adopted position limit rule to help stop increasingly rampant speculative trading reportedly driving recent rapid price increases in gasoline.

Last May, America faced high and rising gas prices. Considering the fluctuations in the market, experts concluded that speculators were artificially inflating the price of oil and reaping profits at the expense of struggling American families. At the time, I and several of my colleagues wrote to encourage the Commission to set position limits that would prevent market participants from manipulating prices at the expense of American consumers. We pointed out that the drafters of the Dodd-Frank Act intended to stop the kind of market manipulation that drives up commodity prices and hurts consumers. It is the CFTC's responsibility to comply with this intent.

Since that time, you have made progress towards establishing a commonsense set of rules to protect consumers from price manipulation. Last November, the Commission established position limits to prevent market participants from manipulating the price of commodities, including oil. The limits were to go into effect after the CFTC and the Securities and Exchange Commission completed their definition of the term "swaps" as it is used in the Dodd-Frank Act. In August, the Commission published its swaps definition, allowing it to move forward to enforce position limits on speculators. But the job is not done.

Today's skyrocketing gas prices provide another reminder that the CFTC must act quickly to crack down on price manipulation by speculative traders. The price of a gallon of gasoline in Connecticut has risen to \$4.15, making it that much harder for struggling Connecticut families to get by. Now is the time to do the job Congress set for the Commission when it passed the Dodd-Frank Act. Congress wanted the Commission to ensure a market where oil prices reflect the forces of supply and demand, not the manipulations of speculators. A diverse array of analysts—from Exxon Mobil to Goldman Sachs—agree that the market today is skewed by speculation. Speculators continue to artificially inflate the price of gas, and consumers continue to pay the price. The Commission has done the necessary work to clearly establish legal authority to enforce position limits. It should use this authority now.

I look forward to working with you to protect consumers in Connecticut and across the country. Thank you for your attention to this important matter.

Sincerely,



Richard Blumenthal
United States Senate