June 11, 2008

Majority Leader Harry Reid
Minority Leader Mitch McConnell
Speaker Nancy Pelosi
Minority Leader John Boehner

Dear Leader Reid, Leader McConnell, Speaker Pelosi, and Leader Boehner:

Record-high, irrational oil prices are smothering the American economy. While we all recognize that a commonsense, long-term energy policy is desperately needed in this country, given the grim statistics that are getting worse every day, Congress must find bipartisan, near-term solutions. Absent an immediate reform in the widely-speculative energy commodity futures markets, oil prices worldwide will continue to surge, clamping down even harder on the U.S. economy.

In May, unemployment climbed again to 5.5%, the highest one-month spike in 22 years; many thousands more employees were laid off; commercial air service to 100 cities was completely eliminated or will be by year-end; businesses closed because they cannot begin to raise prices of goods enough to recoup surging fuel costs; and families chose between filling up their gas tanks or grocery carts.

Leading energy experts across the country agree that recent, unprecedented jumps in crude oil prices are due, in large measure, to rampant speculation in the energy commodities markets. Just last Friday, when oil spiked by $10 per barrel, speculators traded 22 barrels of "paper oil" for every single physical barrel of oil consumed. Sophisticated "paper" speculators who never intend to use the oil are driving up costs for consumers and making huge profits with little to no risk. Having abandoned the stock market, these aggressive traders are manipulating the energy market to their sole advantage.

This country needs a *fair, transparent and balanced energy commodities market*, not one that is skewed to benefit speculators and institutional investors. We urge immediate action, through either the Commodity Futures Trading Commission or Congress, to ensure meaningful reforms are put in place to restore market integrity. Although specific measures must be carefully drafted to avoid unintended consequences, priority steps include (1) fully closing all loopholes, including the "Enron Loophole" and "Swaps Loophole, " that allow institutional investors to avoid limits on the size of their investments; (2) ensuring all energy traders, including those trading on foreign boards of trade, are subject to the limits imposed on U.S. exchanges; and (3) increasing margin requirements and imposing appropriate disclosure/financial requirements on institutional investors.

The undersigned strongly urge Congress to take meaningful steps as soon as possible to address the distorted energy commodities market and stop any further decline in the U.S. economy. We offer our full support for your efforts.

Air Line Pilots Association
Airports Council International
Air Transport Association
American Association of Airport Executives
American Society of Travel Agents
American Trucking Associations
Associated Builders and Contractors
Business Travel Coalition
Cargo Airline Association
Consumer Energy Alliance
Consumer Federation of America
Industrial Energy Consumers of America
International Brotherhood of Teamsters
Interactive Travel Services Association
National Air Carriers Association
National Farmers Union
New England Fuel Institute
Petroleum Marketers Association of America
Regional Airline Association