

Dingell on the 'Commodity Markets Transparency and Accountability Act of 2008'

Washington, D.C. – Rep. John D. Dingell (D-MI), the Chairman of the Committee on Energy and Commerce, delivered the following statement today in support of H.R. 6604, the 'Commodity Markets Transparency and Accountability Act of 2008.'

For Immediate Release: September 8, 2008

Contact: Jodi Seth or Brin Frazier, 202-225-5735

Dingell on the 'Commodity Markets Transparency and Accountability Act of 2008'

Washington, D.C. – Rep. John D. Dingell (D-MI), the Chairman of the Committee on Energy and Commerce, delivered the following statement today in support of H.R. 6604, the 'Commodity Markets Transparency and Accountability Act of 2008.'

Mr. Speaker, I rise to support H.R. 6604, the 'Commodity Markets Transparency and Accountability Act of 2008.'

This legislation will ratchet back the excessive speculation which has undermined the ability of the commodity markets to enable price discovery, while ensuring a means for legitimate hedgers, such as airlines, to lock in future prices as a way to protect their business from price volatility.

Experts testified before the Committee on Energy and Commerce that commodity index speculators, such as pension funds, endowments, and sovereign wealth funds, have poured more than a quarter trillion dollars into purchases of a basket of essential commodities such as oil, natural gas, corn, and wheat. Investments tied to the two most popular commodity indexes have skyrocketed 1,900 percent in the past five years.

This is the one factor that has turbocharged oil prices far above their underlying supply and demand. This bill works to plug three loopholes that have allowed speculation to get out of hand, in markets immune largely from public disclosure, regulation, and transparency.

It takes a large and important first step towards putting a cop back on the beat. My hope is that this bill will bring prices back in line with underlying supply and demand. Further, I am comforted by Chairman Peterson's commitment to consider additional measures in the dark markets as more data is available from the CFTC.

I want to commend Representatives Stupak, Van Hollen, DeLauro, and Larson, for their excellent work and want to recognize Chairman Collin Peterson, Ranking Member Bob Goodlatte, and their staffs for their leadership in bringing this bill to the floor.

Prepared by the Committee on Energy and Commerce

2125 Rayburn House Office Building, Washington, DC 20515