



GAO

Accountability * Integrity * Reliability

United States Government Accountability Office
Washington, DC 20548

AUG 09 2005

August 3, 2005

The Honorable John Larson
House of Representatives

Dear Mr. Larson:

Thank you for your letter of March 28, 2005, asking the Government Accounting Office to review the Commodity Futures Trading Commission's (CFTC) role in the trading of petroleum products on the New York Mercantile Exchange.

Following receipt of your letter, Mr. William Shear, Director, Financial Markets and Community Investment provided technical assistance to your staff on this issue. Since that time, GAO has received related requests concerning CFTC from other members of Congress. We have a longstanding policy, consistent with our statutory authority, to undertake work on our own initiative. Given the widespread interest in futures trading in energy commodities among congressional committees and Members of Congress, GAO plans to undertake a review of these issues using our basic legislative authority for initiating reviews. This approach will give us the flexibility to brief you and other interested parties on the interim results of our work and provide widespread dissemination of a final product once it is completed.

Mr. Shear will be the principal point of contact on this work. We will keep you apprised on the progress of this work. If you have any questions, please contact Mr. Shear at 202-512-4325 or Ms. Rosa R. Harris, Assistant Director for Congressional Relations, at 202-512-9492.

Sincerely yours,

Gloria L. Jarmon

for Gloria L. Jarmon
Managing Director
Congressional Relations

Ref: CCAR 05-0558