

Congress of the United States

Washington, DC 20515

September 16, 2005

The Honorable Joe Barton
Chairman
House Committee on Energy and
Commerce
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable John D. Dingell
Ranking Member
House Committee on Energy and
Commerce
2322 Rayburn House Office Building,
Washington, DC 20515

The Honorable Bob Goodlatte
Chairman
House Committee on Agriculture
1301 Longworth House Office Building
Washington, DC 20515

The Honorable Collin Peterson
Ranking Member
House Committee on Agriculture
1305 Longworth House Office Building,
Washington, DC 20515

Dear Chairmen Barton and Goodlatte and Ranking Members Dingell and Peterson:

As leaders of committees with an interest in the exchange of energy commodities, we write to you to urge the immediate opening of an investigation into whether recent dramatic spikes in the price of oil and gasoline are a result of excessive speculation or possible manipulation by energy commodities futures traders on the New York Mercantile Exchange.

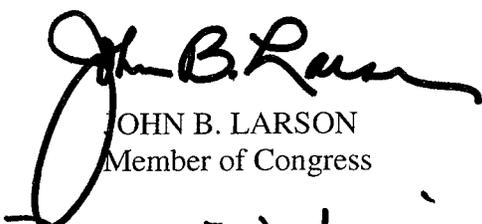
The past twelve months have seen dramatic increases in energy costs, with the price of a barrel of oil increasing almost 50 percent, from \$44.06 a barrel to \$65.96, and the wholesale price per gallon of gasoline rising almost 72 percent, from \$1.19 to \$2.05. While there are a number of contributing factors in these price shifts, there is a growing concern that increased – and possibly excessive – speculation in energy futures may be pushing the costs of oil and gasoline beyond supply and demand. Wholesale prices for energy in the United States are driven in large part by daily trading on energy futures contracts, and as the largest energy commodities trading center in the world, futures traders on the NYMEX play an enormous role in setting the prices that are ultimately passed on to the consumer.

It is no secret that commodities traders have been making record profits as a result of the recent increases in energy prices. According to a manager of exchange-traded markets for a brokerage in Stamford, Connecticut quoted last week on the Dow Jones Newswire, “there are (commodities) traders who made so much money this week they won’t have to punch another ticket for the rest of the year.” Although a March 2005 report by NYMEX which found no correlation between futures trading practices and the increased volatility of the markets, we feel that the American people deserve more than an internal industry study on this issue.

While the GAO has already initiated a review of the Commodities Futures Trading Commission and their role in overseeing the futures markets, we believe it is critical that Congress shine the brightest possible light on the role commodities traders

are playing in increasing energy prices. As the American people face record costs to fill their cars and heat their homes, Congress must step up and ensure that traders are not engaging in excess or manipulative speculation at the expense of consumers. Given the energy crisis many Americans are now facing, we trust that your committees will give this matter their full and urgent attention.

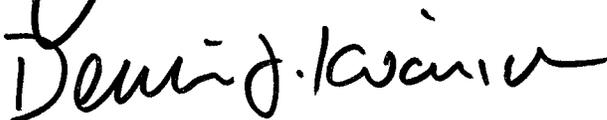
Sincerely,



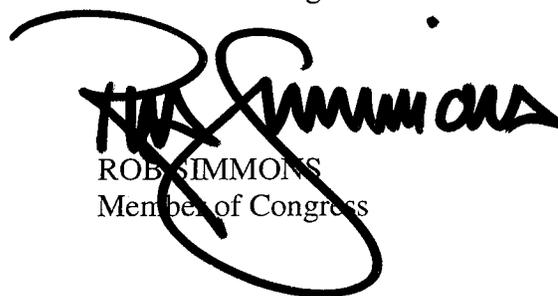
JOHN B. LARSON
Member of Congress



ROSA L. DeLAURO
Member of Congress



DENNIS J. KUCINICH
Member of Congress



ROB SIMMONS
Member of Congress



BERNARD SANDERS
Member of Congress



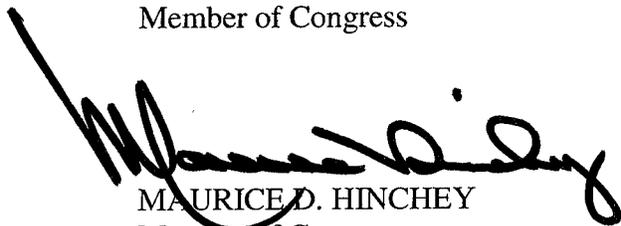
JIM McDERMOTT
Member of Congress



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Member of Congress