



AIR TRAVELERS ASSOCIATION



June 20, 2008

The Honorable Bart Stupak, Chairman
Subcommittee on Oversight and Investigation
Committee on Energy and Commerce
United States House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Ten days ago, a broad coalition of consumer, labor, and business organizations joined to advocate immediate reforms in the widely-speculative energy commodity futures markets. While a long-term, rational energy policy including increased supply is our ultimate goal, bipartisan, near-term solutions to the market frenzy are absolutely critical. Experts agree that today’s surging oil prices are beyond those warranted by supply-demand fundamentals and are due, in large part, to rampant speculation.

In early June, speculators traded more than 1.9 billion barrels of crude oil – 22 times the size of the physical oil market, including \$150 billion traded on the New York Mercantile Exchange alone. Sophisticated “paper” speculators who never intend to use oil are driving up costs for consumers and making huge profits with little to no risk.

With your leadership, we see an end to the current unwarranted escalation in oil prices. All coalition members are pleased to endorse and to pledge our full support for the prompt enactment of your proposed “Prevent Unfair Manipulation of Prices Act of 2008.” The PUMP Act will apply a much needed brake on rampant energy commodity speculation to drive down unprecedented, surging oil prices crippling the economy.

The heart of PUMP is Section 2 that extends CFTC jurisdiction over energy commodities that now enjoy a host of trading loopholes. Specifically, we applaud your bill’s focus on

opening up the market to greater transparency and fairness to level the playing field for all traders. We fully support the bill, including strong provisions that:

- bring over-the-counter energy commodities within CFTC's oversight responsibilities;
- close the "swaps loophole" by extending CFTC regulatory authority to swaps involving energy transactions, another important step towards needed transparency;
- extend CFTC regulatory authority to energy transactions on foreign boards of trade that provide for delivery points in the United States, a common sense measure as other products delivered in the United States are subject to the full panoply of United States regulation, save energy commodities; and
- require CFTC to set aggregate position limits on energy contracts for a trader over all markets, ensuring that traders do not corner markets by amassing huge positions and playing one exchange off another.

The undersigned strongly endorse the PUMP Act, urge Congress to act promptly, and pledge our full support for your efforts.

Air Carriers Association of America
Air Line Pilots Association
Airports Council International
Air Transport Association
Air Travelers Association
American Association of Airport Executives
American Society of Travel Agents
Association of Professional Flight Attendants
Industrial Energy Consumers of America
International Association of Machinists
International Brotherhood of Teamsters
National Air Traffic Controllers Association
National Business Travel Association
National Farmers Union
Regional Airline Association