

# United States Senate

WASHINGTON, DC 20510-0905

July 8, 2009

The Honorable Barack Obama  
President of the United States  
The White House  
1600 Pennsylvania Avenue Northwest  
Washington, DC 20510

Dear Mr. President:

I was pleased to see your administration call for curbs on speculators who engage in trading oil, gas and other forms of energy. Position limits and improved transparency are important steps in the right direction, but I believe we must go further.

Since Enron lobbied to allow such unregulated trading in 2000, we have seen an almost cruel run up in the price of gasoline. There is no doubt this increase and the more recent wild fluctuations are partly the result of speculative traders who have no other financial interest in the energy industry.

While your administration considers new regulations aimed at curbing the role of traders and hedge funds in driving up oil prices, may I suggest a return to the law as it existed before December 2000.

If we fully close the so-called Enron loophole that first allowed unregulated online trading of energy contracts, we would return to a more stable market. We shouldn't be allowing profiteers to flip oil contracts like condominiums.

I have filed legislation, S.221, that would close the Enron loophole in a simple and direct manner: requiring that all energy futures contracts be traded on regulated exchanges. As Chairman Gary Gensler and others in your administration consider various regulatory proposals, I hope you support including this approach.

Sincerely,



cc: Gary Gensler, Chairman, Commodity Futures Trading Commission