



Industrial Energy Consumers of America
The Voice of the Industrial Energy Consumers

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December 11, 2007

The Honorable Collin C. Peterson
Chairman
Committee on Agriculture
U.S. House of Representatives
Washington, DC 20515

The Honorable Bob Goodlatte
Ranking Member
Committee on Agriculture
U.S. House of Representatives
Washington, DC 20515

The Honorable Bob Etheridge
Chairman
Subcommittee on General Farm
Commodities and Risk Management
U.S. House of Representatives
Washington, DC 20515

The Honorable Jerry Moran
Ranking Member
Subcommittee on General Farm
Commodities and Risk Management
U.S. House of Representatives
Washington, DC 20515

Dear Members of Congress:

In behalf of the Industrial Energy Consumers of America (IECA), we support legislation that you have drafted to reauthorize and amend the Commodity Exchange Act in a manner to reduce systemic risk in markets for futures and over-the-counter derivatives. The Amaranth hedge fund case before the Commodity Futures Trading Commission and the Federal Energy Regulatory Commission clearly demonstrates that natural gas market manipulation has occurred. And, because of CFTC oversight gaps, we would not have known this had Amaranth not collapsed. We urge the Committee to act quickly on this legislation in order to protect homeowners, farmers and manufacturers.

We do strongly encourage a very important modification to the proposed language in Title II Exempt Commercial Markets, Section 201 Significant Price Discovery Contracts, paragraph (B). This language deals with “triggers” as to whether an agreement, contract, or transaction performs a significant price discovery function such that the CFTC would take action to provide oversight. The price linkages or triggers described on pages 24 - 26 (i) Price Linkage I and II (includes i,ii, iii and iv) should not have to show “cumulative” linkages. If they show any one of the characteristics listed, they should be included in CFTC oversight.

We look forward to hearing from you.

Sincerely,

Paul N. Cicio
President

cc: Members of the House Committee on Agriculture

IECA is a 501 (C) (6) national non-profit non-partisan cross-industry trade association whose membership is exclusively from the manufacturing sector.