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United States Senate

COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

June 14, 2007

VIA U.S. MAIL & EMAIL (pcicio@carbonleaf.net)

Mr. Paul N. Cicio
President
Industrial Energy Consumers of America
1155 Fifteenth Street NW Suite 500
Washington, DC 20005

Dear Mr. Cicio:

Pursuant to its authority under Senate Resolution 89, Section 11(e), the U.S. Senate Permanent Subcommittee on Investigations of the Committee on Homeland Security and Governmental Affairs will hold a hearing regarding the effect of excessive speculation in the natural gas market. The first day of the hearing will be held on June 25, 2007, at 11:00 a.m. in Room 106 of the Dirksen Senate Office Building in Washington, D.C.

The Subcommittee requests that a representative of the Industrial Energy Consumers of America (IECA) testify at the hearing. To assist the Subcommittee's understanding of the issues, your representative should be prepared to address the following matters:

1. IECA's role, its members, and the types of industries your members represent;
2. the importance of natural gas prices to industrial and manufacturing companies, including how and why IECA members hedge natural gas prices in the commodities markets;
3. the effect of natural gas prices in the summer of 2006 on your members, specifically the extent to which your members believe prices were related to supply and demand fundamentals, or other factors;
4. the effect of large financial traders and large speculators on the level and volatility of energy prices in recent years and how this has affected your members' ability to use the energy markets to hedge prices;
5. the impact of changes in the natural gas market on the operating costs for your members;

6. IECA's views on the effectiveness of Commodity Futures Trading Commission's oversight of commodities trading in energy markets, particularly its ability to prevent excessive speculation and price manipulation; and
7. whether Exempt Commercial Markets that function as an exchange for energy contracts, such as the Intercontinental Exchange, Inc. should be subject to the same statutory and regulatory provisions as the regulated exchanges (Designated Contract Markets) to prevent price manipulation and excessive speculation.

We further request that Industrial Energy Consumers of America submit a written statement addressing the above matters. This statement will be included in its entirety in the printed hearing record. Subcommittee rules require that the written statement of all witnesses be received by 11:00 a.m. on Thursday, June 21, 2007. Please deliver the written statement to the Subcommittee's Chief Clerk, Mary Robertson, through electronic mail at mary_robertson@hsgac.senate.gov. In addition, the witness may provide an oral statement of up to five minutes in length, to be followed by questions from Subcommittee Members.

Thank you for your assistance in this matter. If you or your staff have any questions or would like additional information, please contact Dan M. Berkovitz (Senator Levin) at 202/224-9505 or Mark D. Nelson (Senator Coleman) at 202/224-3721.

Sincerely,



Norm Coleman
Ranking Minority Member
Permanent Subcommittee on Investigations



Carl Levin
Chairman
Permanent Subcommittee on Investigations