

COMMODITY MARKETS OVERSIGHT COALITION

An Alliance of Derivatives End-Users & Reform Advocates

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END-USERS OPPOSE ROLL BACK OF DERIVATIVE MARKET OVERSIGHT

National coalition of commodity end-users and consumers urges Congress to reject efforts to obstruct new derivative market reforms required by the Dodd-Frank Act.

WASHINGTON, D.C., April 11, 2012 – A national alliance of commodity-dependent businesses, hedgers and end-users wrote Congressional leaders today urging opposition to new legislation that would jeopardize much needed oversight and regulation of the derivatives markets.

The letter was signed by Commodity Market Oversight Coalition member-organizations representing the airline, trucking, and retail motor fuel and home heating industries. Member groups representing American farmers, ranchers and cattlemen and average American consumers also joined the letter.

The coalition strongly announces its opposition to “legislation that would interfere with or delay pending rules and as a result obstruct vital market reforms, encourage uncertainty among market participants and diminish the value of public comments received [by federal regulators].”

The letter cites specific legislation, including the “Swaps Jurisdiction Certainty Act” or H.R.3283, which would create a new loophole that would exempt U.S. financial firms from federal oversight and regulation if they engage in a swap with a foreign entity. “This would compromise the overall swaps market regulatory framework, encourage firms to export jobs overseas ...and exacerbate systemic risk” and “undermine [U.S.] efforts to work with foreign and international regulators to establish jurisdiction and harmonize regulations,” the coalition warns.

The groups also express concern about the “Swaps Execution Facility Act” or H.R.2586, which would repeal pre-trade transparency requirements, which the coalition argues would strip the markets of much-needed competition, blind end-users to competitive prices and drive up hedging costs.

Both pieces of legislation are moving quickly through House committees and floor votes are anticipated in the coming weeks. There is no word on whether or not this or similar legislation might be taken up by relevant committees in the U.S. Senate.

The letter is addressed to House Agriculture Committee Chairman Frank Lucas (R-OK) and Ranking Member Collin Peterson (D-MN) and Senate Agriculture Committee Chairwoman Debbie Stabenow (D-MI) and Ranking Member Pat Roberts. House Financial Services Committee and Senate Banking leadership were copied on the letter, as was the Commodity Futures Trading Commission.

Read the complete letter online at <http://bit.ly/cmoc12apr>.

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The CMOC is an independent, non-partisan alliance of organizations that represent commodity-dependent industries, businesses and end-users that rely on functional, transparent and competitive commodity derivatives markets as a hedging and price discovery tool. The coalition advocates in favor of government policies that promote stability and confidence in the commodities markets, that seek to prevent fraud, manipulation and excessive speculation and that preserve the interests of *bona fide* hedgers and American consumers.