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*Congress of the United States*  
*House of Representatives*  
Washington, DC 20515-2201

SCOTT SCHLOEGEL—CHIEF OF STAFF  
TOM BALDINI—DISTRICT DIRECTOR

April 17, 2008

Senator Hillary Clinton  
476 Russell Senate Office Building  
Washington, D.C. 20510

Senator Barack Obama  
713 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senators Clinton and Obama:

On April 16, 2008, at the Democratic Presidential Debate in Philadelphia, Pennsylvania, when asked about high gas prices, you agreed that we need to investigate market manipulation among energy traders, as well as potential price gouging. I have introduced legislation to address both of these problems, and would appreciate your support in the Senate to move these bills forward.

H.R. 594, *The Prevent Unfair Manipulation of Prices (PUMP) Act*, would provide oversight and increased penalties for energy traders found to be unfairly manipulating the price of crude oil and other energy commodities on "over-the-counter" (OTC) trading markets. Traditionally, trading of energy commodities such as crude oil, gasoline, diesel fuel, and natural gas has taken place on the New York Mercantile Exchange (NYMEX), with oversight by the Commodity Futures Trading Commission (CFTC). However, an increasing amount of speculation takes place on the OTC markets, without any regulation or oversight by the federal government.

While the Senate included a provision in its Farm Bill in an attempt to address this issue, the Senate language does not go far enough. This provision still contains several loopholes which allow energy speculators to continue to operate in the dark, without proper oversight. For example, the foreign board of trade loophole, which allows these contracts to evade U.S. regulation, was not closed in the Senate amendment. If the Senate language as it is currently drafted becomes law, almost all crude oil, heating oil, diesel, and gasoline traded on the OTC markets will continue to be traded without any U.S. government oversight.

It has been testified to that oversight of all energy trades would lower the price of crude oil by as much as \$30 a barrel, which would reduce the cost of gas by as much as one dollar a gallon! I encourage you to work with me to close these loopholes, either through the ongoing Farm Bill conference process or by convincing Senate leadership to take up my PUMP Act.

PLEASE REPLY TO:

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On May 23, 2007, the U.S. House of Representatives approved my legislation, *The Federal Energy Price Gouging Prevention Act* (H.R. 1252) by a bi-partisan vote of 248 to 141. This legislation would provide the Federal Trade Commission (FTC) with new authority to investigate and prosecute those who engage in predatory pricing and other unfair practices. While the Senate approved a similar provision as part of energy legislation passed in 2007, this provision was not included in the final Energy Independence bill that became Public Law No. 110-140.

Congress must give the FTC the authority to stop price gouging in order to protect Americans from paying unconscionably excessive prices at the pump. I encourage you to work with the Senate Leadership to pass my bill so we can send an energy price gouging bill to the President's desk.

I look forward to continuing to work with you to address the problem of high gas prices. With your help, Congress can provide the American people with the relief from high energy prices that they so desperately need.

I would appreciate hearing your thoughts on how we can advance these two important pieces of legislation.

Sincerely,

A handwritten signature in black ink that reads "Bart Stupak". The signature is written in a cursive, slightly slanted style.

BART STUPAK  
Member of Congress

BTS/jce

Cc: Senate Majority Leader Harry Reid  
Speaker of the House Nancy Pelosi