

COMMITTEE LETTER

Commenting on the Energy Market Oversight Amendment to Senate Bill 14

The Honorable Bill Frist
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Tom Daschle
Democratic Leader
United States Senate
Washington, D.C. 20510

July 29, 2003

The Honorable Bill Frist and the Honorable Tom Daschle:

We urge you to oppose the energy market oversight amendment to S. 14 that we understand will be offered by Senators Feinstein, Levin, and Lugar.

Versions of this amendment have twice been rejected by the United States Senate on April 10, 2002, and, most recently, on June 11, 2003. Although the draft amendment made available last week reflects changes since it was last defeated, the initiative still contains inappropriate layers of regulation, including indirect establishment of capital requirements, that will negatively impact the recovering energy trading markets and encourage business to be conducted in jurisdictions outside of the United States.

The amendment is unnecessary. As the President's Working Group on Financial Markets noted in their June 11 letter opposing the previous version of the amendment, actions by various federal agencies against wrongdoing in the energy markets have resulted in substantial monetary penalties and other sanctions and make clear that wrongdoers in the energy markets are fully subject to the existing enforcement authority of federal regulators.

We ask that you again oppose the latest version of this amendment during Senate consideration of the pending energy legislation.

Sincerely,

ABA Securities Association
Association for Financial Professionals
Bond Market Association
Emerging Markets Traders Association
Financial Services Roundtable
Foreign Exchange Committee

Futures Industry Association
International Swaps
and Derivatives Association
Managed Funds Association
National Mining Association
Securities Industry Association

cc: United States Senate

