

BARNEY FRANK
4TH DISTRICT, MASSACHUSETTS

2252 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-2104
(202) 225-5931

29 CRAFTS STREET
SUITE 375
NEWTON, MA 02458
(617) 332-3920

558 PLEASANT STREET
ROOM 309
NEW BEDFORD, MA 02740
(508) 999-6462

THE JONES BUILDING
29 BROADWAY
SUITE 310
TAUNTON, MA 02780
(508) 822-4796

Congress of the United States
House of Representatives
Washington, DC

April 20, 2012

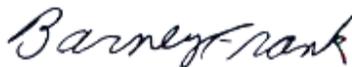
Dear Friend,

Thank you for contacting me. For several years I have supported temporarily suspending oil purchases for the nation's Strategic Petroleum Reserve (SPR) until prices stabilize. I believe that suspending oil purchases for the SPR will put downward pressure on energy costs. I recently cosigned the enclosed letter to President Obama, encouraging him to deploy the SPR to lower consumer gas prices, and I have cosponsored new legislation introduced by my colleague Congressman Markey (HR 1017) to initiate a modest release of oil from the nation's reserves to temper prices. I have also recently voted to do more to safely develop domestic oil and gas resources, as part of an offshore drilling regulatory overhaul passed by the House last year, the Consolidated Land, Energy, and Aquatic Resources Act of 2010.

In addition, I realize that speculation by dominant players in the financial markets has led to concerns about increases in the price of fuel sold to consumers, and this is a matter of great concern to me. In order to address this, measures were included in the financial reform legislation I sponsored, the Wall Street Reform and Consumer Protection Act, now law, to impose new regulations on the trading of derivative contracts linked to energy commodities. Purely speculative swaps, the secret trading of which many believe has likely contributed to manipulation in the price of oil, will have to be traded on regulated exchanges, and routed through clearinghouses, with the derivative regulators – the CFTC or the SEC – having full access to the information. Regulators are also authorized with specific tools, including position limits, to prevent manipulation of energy markets. The CFTC is given the power to impose limits on the size of positions in commodity derivatives based on oil futures, as well as new authority over margin levels - the amount you have to put down to buy or sell a future contract. I am confident that implementation of these important provisions will lessen the kind of trading in energy markets that give rise to concerns about price manipulation, potentially leading to lower and more stable prices for consumers.

I will continue working with my colleagues towards action to the fullest extent of our capacity to lower oil and gas prices. Thank you again for contacting me.

Sincerely,



BARNEY FRANK