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Senators File Amicus Brief Supporting Mandatory Trading Limits to Combat Excessive Speculation and High Gasoline Prices

WASHINGTON – Nineteen U.S. senators filed a brief late yesterday urging a federal appeals court to reverse a lower-court ruling that endangers a key provision of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

The brief, filed in the U.S. Circuit Court of Appeals for the District of Columbia, argues for reversal of a District Court ruling that invalidated a regulation placing limits on speculation in 28 commodities, including crude oil, natural gas, and gasoline. The Dodd-Frank Act requires the Commodities Futures Trading Commission (CFTC) to set position limits that prohibit market participants from amassing market-shifting positions in energy, food, and metal commodities, positions that could cause higher prices for consumers and businesses.

“Three years ago, Congress took action to clamp down on excessive speculation driving energy, metal and food prices, by imposing mandatory trading limits on speculators,” said Sen. Carl Levin (D-MI), who spearheaded the effort on the brief. “Those measures have never taken effect due to industry legal challenges while roller coaster prices have continued to plague our economy. The district court said Congress wasn’t clear about making the trading limits on speculators mandatory, but our amicus brief shows that is exactly what we did and what the law requires.”

The senators, many of whom have spent years combating excessive speculation, state in their brief that, contrary to the lower-court ruling, Dodd-Frank requires the CFTC to impose such limits without first having to study the issue or make findings that the limits are necessary. They write: “The District Court’s finding that Dodd-Frank is ambiguous on this point was erroneous.”

The senators filing the brief are Sens. Carl Levin, D-Mich.; Mark Begich, D-Alaska; Richard Blumenthal, D-Conn.; Barbara Boxer, D-Calif.; Sherrod Brown, D-Ohio; Maria Cantwell, D-Wash.; Ben Cardin, D-Md.; Dianne Feinstein, D-Calif.; Tom Harkin, D-Iowa; Joe Manchin, D-W.Va.; Claire McCaskill, D-Mo.; Robert Menendez, D-N.J.; Barbara Mikulski, D-Md.; Bill Nelson, D-Fla.; Bernie Sanders, I-Vt.; Jeanne Shaheen, D-N.H.; Elizabeth Warren, D-Mass.; Sheldon Whitehouse, D-R.I.; and Ron Wyden (D-OR).

The brief is available here http://levin.senate.gov/download/cftc_amicus.