

June 14, 2009

WASHINGTON, DC – Congressman Peter DeFazio (D-Springfield) took steps today to reign in oil and gas prices and provide relief to American consumers by introducing the Energy Markets Manipulation Prevention Act. Oil recently reached an eight month high of \$72 a barrel and the national average of a gallon of gasoline has gone from \$1.64 a gallon late last year to more than \$2.63 a gallon today.

"The US needs to move quickly to a sustainable energy future, but until we get there we need to block price manipulation. Its about time the federal government took actions to defend the American consumer, rather than subsidize big oil," DeFazio said. "The legislation I introduced today is a giant step in the right direction."

The run-up in oil and gas prices is not a result of the fundamental concept of supply and demand, but is largely driven by excessive speculation. According to data from the Energy Information Administration, demand for petroleum products in the United States is lower today than it was 10 years ago and supply is higher today than it was in 1982. But, prices are going up, not down as a result of speculation. The Energy Markets Manipulation Prevention Act would require the Commodity Futures Trading Commission (CFTC) to use its emergency authority to prevent the manipulation of oil prices and empower this Commission with new authority to prohibit excessive speculation in the oil markets. Last July, the House of Representatives passed similar legislation by a vote of 402-19, but unfortunately the bill did not become law. Unfortunately, the Senate did not act on the legislation.

Identical legislation is being introduced in the Senate by Sen. Bernie Sanders (I-VT).