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Industrial Energy Consumers of America
1155 15th Street, NW, Suite 500, Washington, D.C. 20005

Telephone 202-223-1661 Fax 202-223-1420 www.ieca-us.org

June 8, 2006

Commodity Futures Trading Commission
Office of the Secretariat
Three Lafayette Centre
1155 21st Street, NW
Washington DC 20581

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Subject: June 27, 2006 Hearing on "What Constitutes a Board of Trade Located Outside the United States"

In behalf of the Industrial Energy Consumers of America (IECA), we request an opportunity to testify in the June 27, 2006 hearing on "What Constitutes a Board of Trade Located Outside the United States". Pat Byrne, Manager, Materials and Procurement, General Shale Brick will testify in behalf of the organization.

IECA is a 501 (C) (6) nonprofit organization created to promote the interests of manufacturing companies for which the availability, use and cost of energy, power or feedstock play a significant role in their ability to compete in domestic and world markets. IECA membership represents a diverse set of industries including: plastics, cement, paper, food processing, chemicals, fertilizer, insulation, steel, glass, industrial gases, aluminum, brick, pharmaceutical, and brewing. Attached is a list of the company membership.

Statement of interest and qualifications:

As some of the worlds' largest consumers of energy and other commodities, IECA member companies are impacted directly and indirectly by how well markets are working. All market inefficiencies are paid for by us, the consumer. As a result, consumers have a vested interest in the outcome of this hearing.

Summary of statement:

The US natural gas market is regional, not global. Secondly, all of the trading exchanges such as NYMEX and ICE, and all natural gas related products that deal with physical product, futures or derivatives that include forward contracts, swaps and options are linked. They do not operate independently. This concludes that it is vital that all trading exchanges and products have oversight by one US regulatory body that will provide continuity and certainty that markets and consumers are protected from market manipulation. A UK regulatory agency overseeing only part of the market is inadequate at best. Also, the interests of UK regulators are disconnected to the interests of the US public. Therefore, having a UK regulatory agency continuing to oversee ICE is not

satisfactory. As consumers, we hold the CFTC and the US Congress accountable for the safe keeping of our markets, not the UK regulators or any other country. IECA supports Congressional action that would extend CFTC's oversight beyond NYMEX to include ICE and the over-the-counter (OTC) market that includes forward contracts, swaps and options. This action is needed to protect markets and consumers from potential abuse.

As stated, all natural gas markets and related products are linked. CFTC enforcement people have publicly said that "because trades on exchanges and over the counter are interdependent, each energy enforcement case brought by the agency included violations that occurred on the OTC market." This raises the question, without CFTC oversight, what OTC violations have we missed?

Existing CFTC market oversight fails to address the needs and concerns of consumers. CFTC's jurisdictional oversight of the natural gas market applies only to the NYMEX leaving about two-thirds of the trading volume with no jurisdictional oversight. Given the physical constraints of the natural gas market that leave consumers vulnerable, it is in the interests of the public to give the CFTC oversight of the over-the-counter (OTC) market that includes forward contracts, swaps and options in order to protect markets and consumers from potential abuse.

A market without CFTC oversight and transparency is a market waiting for manipulation. Unless the CFTC knows what positions (volumes) large traders hold, it has no way of knowing if market manipulation is occurring or not. Today, only NYMEX is required to report large trader volumes to the CFTC, which leaves two-thirds of the volume unaccounted for. Transparency is the key. IECA is also concerned that UK regulators do not limit the size of positions investors can take. The constrained US supply situation and the combination of no intra-market transparency and no limit on how large a position an investor can take creates heightened concern.

IECA does not support government regulation of markets or prices. However, we believe markets work better when players know there is strong US government oversight and monitoring that has the ability to catch and severely penalize market manipulation. In our view, neither sufficient government oversight nor penalties are in place to deter manipulation.

We look forward to hearing from you as to whether we will testify.

Sincerely,



Paul N. Cicio
President



Industrial Energy Consumers of America
One Thomas Circle, NW, Tenth Floor, Washington, D.C. 20005

Telephone 202-223-1661 Fax 202-530-0659 www.ieca-us.org

**Board of Directors
2006**

The Industrial Energy Consumers of America (IECA) is a nonprofit organization created to promote the interests of manufacturing companies for which the availability, use and cost of energy, power or hydrocarbon feedstock play a significant role in their ability to compete in domestic and world markets.

Corporate Membership

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2. Ag Processing Inc
3. Air Liquide America L.P.
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7. Coors Brewing Company
8. The Dow Chemical Company
9. Dow Corning Corporation
10. Eastman Chemical Company
11. FMC Corporation
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13. General Shale Brick
14. Huntsman Corporation
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