

Congress of the United States
Washington, DC 20515

April 28, 2010

The Honorable Gary Gensler
Chairman
Commodity Futures Trading Commission
1155 21st Street, N.W.
Washington, D.C. 20581

Dear Chairman Gensler,

We are writing to express our concern about the Commodity Futures Trading Commission's (CFTC) pending consideration of futures contracts on movie box office receipts. We understand that the review periods have been extended until June for the two proposed exchanges and we urge the CFTC to take the full review period to analyze this new derivative product in light of the fact that the United States Congress is actively considering changes to the Commodity Exchange Act as a part of their broader efforts to overhaul and reform the financial regulatory system.

Currently, the Senate is debating legislation that would strengthen the CFTC's jurisdiction over commodity based derivatives to limit systemic risk and increase transparency in derivatives markets. As a result, CFTC regulations will likely change dramatically with the enactment of this legislation. Therefore, we encourage the Commission to take the full review period to decide the legality of movie futures contracts, such as futures contracts on box office receipts, until Congress has had the opportunity to enact financial regulatory reform legislation.

We are also concerned that movie futures do not serve a public purpose, and we encourage the Commission to take that aspect into consideration before issuing a final decision on these contracts. Many of the major organizations in the movie industry that are purported to benefit from hedging against risks incurred from failures in box office receipts have expressed opposition to the creation of movie futures. Some have stated their concern that these contracts will increase their risk exposure by imposing additional legal liabilities.

In a hearing on this subject in the House Agriculture Committee, CFTC general counsel, Dan Berkovitz, stated that the CFTC is looking at ways to exclude those with insider information from the proposed movie futures market. Many members of the House Agriculture Committee, expressed concerns that movie futures would be extremely susceptible to market manipulation, and the fact that the CFTC has to exclude those market participants most likely to benefit from these futures contracts raises the question of whether this type of product is inherently prone to abuse and manipulation from the start? Furthermore, many members made the point that if you exclude those most likely to use futures to hedge risks from the market, we are concerned that the only participants remaining are those looking to use movie futures as a high stakes gambling tool.

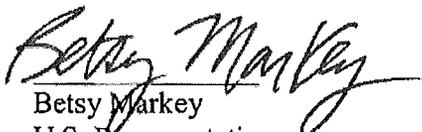
Finally, we are concerned that regulating movie futures contracts will put additional demands on the CFTC and divert their regulatory efforts away from traditional futures transactions that allow farmers and ranchers to hedge risks associated with commodity price fluctuations. Our constituents depend on these products and they depend on the CFTC's ability to regulate these products to discourage excessive speculation. Agriculture is the foundation of our country's history, wealth, and prosperity. Maintaining our domestic food supply is not only an important aspect of our national heritage, but of our national security and we need to ensure our food security is not exposed to market manipulators. We are also concerned that the CFTC will need additional staff and funding for to regulate this new market. We do not believe the US taxpayers should be asked to foot the bill for additional regulation over this new futures product when it is highly susceptible to manipulation.

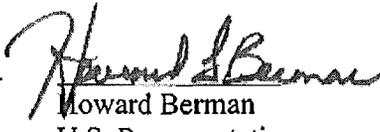
Futures contracts are designed to serve the public interest by providing participants with the economic benefits of price discovery and the ability to hedge risks exposure. We believe that the CFTC should not approve new futures contracts until it demonstrates that these contracts provide a public benefit by hedge their risk or bringing transparency, standardization, and oversight to customized derivative products currently in the financial marketplace. If CFTC cannot demonstrate that public interests are served by the creation of futures contracts on movie box office receipts, we believe CFTC should not approve such contracts.

If CFTC lacks the legal authority to prevent the approval of a futures contract that fails this public interest test, we ask that you inform us as soon as possible, so that Congress can properly consider whether to pursue additional legislative language during consideration of the broader financial regulatory reform legislation.

Thank you for your continued work to improve our nation's financial regulatory regime.

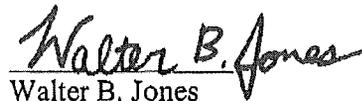
Sincerely,

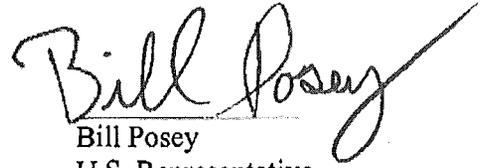

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