



STATE OF MICHIGAN  
OFFICE OF THE GOVERNOR  
LANSING

JENNIFER M. GRANHOLM  
GOVERNOR

JOHN D. CHERRY, JR.  
LT. GOVERNOR

August 22, 2005

The Honorable Reuben Jeffery III  
Chairman  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21<sup>st</sup> Street, NW  
Washington, DC 20581

VIA FACSIMILE at 202-418-5521

Dear Chairman Jeffery:

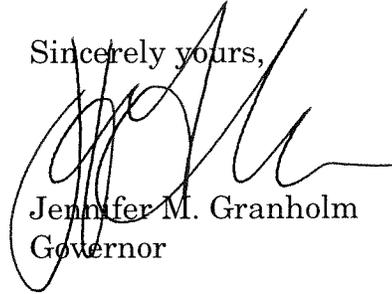
As consumers in Michigan and across the nation face the continued escalation in gasoline prices, I am requesting that the Commodity Futures Trading Commission (CFTC) conduct an inquiry into all contributing factors driving the inflation-adjusted price of oil and gasoline toward historic high levels, including any role speculators have played in the commodities market.

Rising world demand, a shortage of refining capacity, and other factors have contributed to the upward pressure on the price Americans are paying at the pump. And while a certain level of volatility is expected in commodities markets, there is currently no shortage of oil and gasoline supplies. However, other considerations have reportedly created additional uncertainty in the marketplace, resulting in rapid price spikes during the past several weeks. This has led to suspicion that less direct factors, such as fear of terrorism, political uncertainty in Venezuela, the death of Saudi Arabia's King Fahd, and possible hurricanes, and other factors are distorting the fair market price for a gallon of gasoline.

The mission of the Commodity Futures Trading Commission (CFTC) is, "to protect market users and the public from fraud, manipulation, and abusive practices related to the sale of commodity and financial futures and options, and to foster open, competitive, and financially sound futures and option markets." With gasoline prices increasing at more than 10 times the general inflation rate over the past year, market participants at every level should welcome an immediate, aggressive and thorough review of all factors contributing to near-record-high fuel prices.

The impacts of skyrocketing gasoline prices are not unique to the citizens of Michigan. However, distorted fuel markets could disproportionately affect states with vital manufacturing sectors and threaten overall national economic growth. Immediate action will help reassure consumers that CFTC will vigorously enforce a transparent, competitive and fair marketplace that protects household budgets from speculative abuses.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Jennifer M. Granholm', written over the typed name and title.

Jennifer M. Granholm  
Governor

JMG/pd

c: Commissioners, Commodity Futures Trading Commission  
Michigan Congressional Delegation