

# Chairwoman Stabenow Calls on CFTC to Review Possible Manipulation of Renewable Fuels Market ()

**Tuesday, September 24, 2013**

Senator Debbie Stabenow, Chairwoman of the U.S. Senate Committee on Agriculture, Nutrition and Forestry, today called on the Commodity Futures Trading Commission to review recent allegations about possible manipulation of the markets for Renewable Identification Numbers (RINs) – the tracking mechanism to ensure petroleum blenders and refiners meet their requirements under the Renewable Fuels Standard. Stabenow called on the CFTC, which is tasked with overseeing markets for commodity futures, options and swaps, to use its expertise and authority to help preserve the integrity of the RINs market.

Press reports have highlighted potential speculation and manipulation of the unregulated markets, possibly contributing to recent market volatility and spikes in price.

“I would like the CFTC to help determine whether factors other than supply and demand have been causing extraordinary volatility in the price of RINs and to what extent fraud and manipulation have been affecting the price of RINs,” Stabenow wrote to CFTC Chairman Gary Gensler. “I am concerned that a lack of transparency in these markets has made them more susceptible to manipulation. If this is the case, it is a problem that must be identified and fixed.”

Stabenow continued, “While I support an actively traded market with a diverse array of market participants, the market must function and allow entities to manage their risk and comply with the law. ”

The full text of the letter follows.

*September 24, 2013*

Chairman Gensler:

I am writing today with concerns about the possible manipulation of the markets for Renewable Identification Numbers (also known as RINs). As you are aware, RINs are part of the tracking mechanism in the Renewable Fuel Standard (RFS) to ensure that obligated parties (blenders and refiners) meet their RFS requirements.

As the agency tasked with overseeing markets for commodity futures, options, and swaps, I am looking to the CFTC to use its expertise and authority to help preserve RIN market integrity, particularly with respect to the price discovery function of these markets and the ability of end users to hedge their risk and comply with their RFS requirements.

Specifically, I would like the CFTC to help determine whether factors other than supply and demand have been causing extraordinary volatility in the price of RINs and to what extent fraud and manipulation have been affecting the price of RINs. I am concerned that a lack of transparency in these markets has made them more susceptible to manipulation. If this is the case, it is a problem that must be identified and fixed.

Moreover, if there are limits to the CFTC’s authority, expertise, or resources that could inhibit it from monitoring these markets, please inform the Committee of those as soon as possible. While I support an actively traded market with a diverse array of market participants, the market must function and allow entities to manage their risk and comply with the law. To this end, I ask that you coordinate with the Environmental Protection Agency (EPA) to achieve these important objectives.

Thank you for your attention to this important matter. The RIN markets must function properly, and your involvement to help prevent fraud and manipulation in these markets is appreciated.

Sen. Debbie Stabenow (D-MI)

*Chairwoman,*

*U.S. Senate Committee on Agriculture, Nutrition and Forestry*