

March 11, 2011

Senator Ron Wyden
223 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Wyden,

**Religious, development and farmer organizations support
STOP Commodity Speculation Act**

We, the undersigned organizations, write to express our support for the Stop Tax-Breaks for Oil Profiteering and Commodity Speculation Act. We recognize the bill's potential to bring needed stability to energy and food commodity markets by removing tax breaks for financial participants in those markets. **We strongly urge other Senators to co-sponsor this bill.**

The STOP Commodity Speculation Act would create needed uniform tax rules for all commodity market participants. Currently, financial actors receive a tax incentive by being required to pay only 23 percent in taxes (a 60/40 blend of long and short-term capital gains rates) on commodity markets earnings, while legitimate commercial end users of commodity markets pay a higher income tax on their earnings. This tax break constitutes a financial incentive for hedge funds and other large financial actors to speculate in commodities at a time when there are signs of excessive speculation influencing prices.

The bill would also remove the tax break for pension funds and university endowments that currently pay no taxes on commodity market earnings by making commodity earnings unrelated business taxable income (UBTI). These institutional investors have had an especially destructive effect on commodity markets, as was shown in the Senate Subcommittee on Investigation's study on wheat speculation. "*...there has been a striking unanimity of perspective. Virtually all of the traders and analysts contacted by the Subcommittee stated that the large presence of commodity index traders in the Chicago market was the primary factor contributing to the pricing problems in the wheat market.*" (p. 138)

If passed, the STOP Commodity Speculation Act would drastically reduce this outside speculation and help restore stability to our commodity markets once again. By giving tax advantages to financial institutions, the current situation encourages unnecessary and excessive speculation by institutional investors. We cannot allow such essential markets to be dominated by the whims of speculators.

We thank you again for your initiative in proposing the STOP bill and look forward to helping as necessary as this legislation proceeds through the legislative process..

Sincerely,
Signing organizations on reverse

Signing organizations

ActionAid USA
Affording Hope Project
CAJA³ - Community Action for Justice in the Americas, Africa, Asia
Center for International Policy, Americas Program
Center of Concern
Columban Center for Advocacy and Outreach
Community Alliance for Global Justice
Cumberland Countians for Peace & Justice
Faith and Money Network
Farmworker Association of Florida
Friends of the Earth - US
Holy Cross International Justice Office
Institute for Agriculture and Trade Policy
Institute for Policy Studies, Global Economy Project
Maryknoll Office for Global Concerns
Mennonite Central Committee U.S. Washington Office
Missionary Oblates, JPIC Ministry
National Catholic Rural Life Conference
National Family Farm Coalition
National Latino Farmers & Ranchers Trade Association
Network for Environmental & Economic Responsibility, United Church of Christ
New Rules for Global Finance Coalition
Nourishing the Planet-Worldwatch Institute
Organic Consumers Association
Oxfam America
Partners for the Land & Agricultural Needs of Traditional Peoples (PLANT)
Pesticide Action Network North America
PLANT (Partners for the Land & Agricultural Needs of Traditional Peoples)
Presbyterian Church (U.S.A.), Office of Public Witness
Sisters of Notre Dame de Namur JPIC Office
Sisters of the Holy Cross - Congregation Justice Committee
Sisters of Mercy of the Americas—Institute Justice Team
The Second Chance Foundation
WhyHunger