



August 15, 2022

Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, D.C. 20581

Attn: Chairman Rostin Behnam

Dear Chairman Behnam:

The Independent Petroleum Association of America (IPAA) submits this letter to register a concern over potential market manipulation and ask for an investigation into recent trading on the New York Mercantile Exchange as it relates to natural gas futures, swaps and options. IPAA is a national trade association representing the thousands of American independent oil and natural gas producers. These companies produce 90 percent of America's natural gas. Consequently, actions taken that can adversely affect the commodity markets are a key concern.

IPAA understands that volatility and manipulations of commodity markets are critical issues for the Commodity Futures Trading Commission (CFTC). The 2020 negative crude oil price was particularly shocking and its memory creates lingering anxiety over the potential for market manipulation that can be triggered in the commodity exchanges. In particular, natural gas could be exposed to some manipulation that the CFTC needs to address. Consequently, IPAA is reaching out to encourage the CFTC to use its authority to protect the commodity markets from potential future actions.

Over the past 20 years, Russia has moved aggressively to link Europe's economy to Russia's natural gas. Russia's war with Ukraine creates wide ranging international issues regarding natural gas. Clearly, one of these issues is volatility in the natural gas markets both in Europe and the United States. Significantly, it also gives Russia, Gazprom or their agents the possibility to utilize "perfect information" to manipulate the markets for energy commodities in both the United States and Europe.

Hopefully, the CFTC is already investigating this possibility. If so, IPAA would like to know that is the case and, if not, IPAA strongly encourages the CFTC to begin an investigation under its granted authorization.

Specifically, IPAA is concerned about the following four items/issues:

1. Excessive speculation
2. Market manipulation, squeezes and corners
3. Market liquidity for bona fide hedgers
4. Price discovery disruption

IPAA would also like to know if there is any joint investigation with the CFTC's counterparts in Europe, such as the European Commission.

As natural gas producers, IPAA anticipates a winter of 2022/2023 that could see price volatility beyond any historical measure. Anticipating such, hopefully, the U.S. and European Trading Commissions can satisfy future public inquiry that is certain to be under a microscope and spotlight over the next 6-8 months.

In addition to natural gas, agricultural commodities are similarly being subject to undue market influence by the government of Russia or its agents.

IPAA appreciates the opportunity to raise these issues to the CFTC. If there are questions or further information is needed, please contact IPAA at the above address or by email at dnaatz@ipaa.org.

Respectfully,

A handwritten signature in black ink, appearing to read "Daniel T. Naatz". The signature is fluid and cursive, with the first name "Daniel" being the most prominent part.

Daniel T. Naatz
Executive Vice President