

RESOLUTION OF THE CITY COUNCIL

No. 357

Approved September 22, 2008

WHEREAS, Earlier this year the price of a barrel of oil reached an all-time high of \$147, nearly six times the price in 2002; and

WHEREAS, Top ranking oil executives have stated that they expect the price of oil to rise above \$250 per barrel in 2009; and

WHEREAS, Studies have found that one quarter of the worldwide increase in energy costs was not due to changes in supply and demand; and

WHEREAS, A report of the U.S. Senate's Permanent Subcommittee on Investigations of the Committee on Homeland Security and Governmental Affairs explained "...there is substantial evidence supporting the conclusion that the large amount of speculation in the current market has significantly increased prices;" and

WHEREAS, The Commodities Futures Modernization Act of 2000 has allowed speculators to buy and sell contracts for oil and other energy commodities, acting as middle-men and artificially increasing energy prices; and

WHEREAS, Since 2006, the Commodities Futures Trading Commission has allowed certain companies to conduct after-hours, unregulated, over-the-counter oil transactions via electronic trading terminals; and

WHEREAS, Numerous industry experts fear that such speculation is creating an "energy bubble" similar to the internet and housing bubbles that led to economic downturn over the past ten years; and

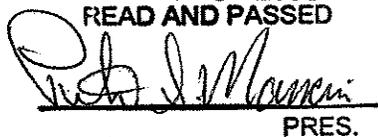
WHEREAS, An energy bubble has the potential to have even more dramatic effects on the U.S. and world economy than previous bubbles because a great portion of the modern economy is driven by energy-intensive industries; and

WHEREAS, The rising cost of energy is already creating problems for the average American consumer, causing higher prices for everyday items and making it increasingly difficult for families to afford food, heating, healthcare, and many other necessities.

NOW, THEREFORE, LET IT BE RESOLVED, That the City Council of the City of Providence does hereby urge the United States Senate to pass Senate Bill 3268, known as the "Stop Excessive Energy Speculation Act of 2008," which would eliminate excessive energy commodities speculation; and

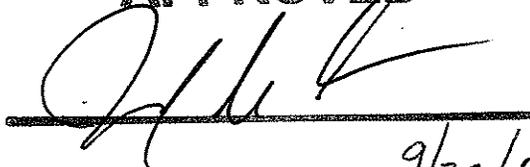
BE IT FURTHER RESOLVED, That upon adoption, copies of this resolution be forwarded to the Rhode Island Congressional delegation, the sponsors of Senate Bill 3268, and the members of the Senate Committee on Homeland Security and Governmental Affairs.

IN CITY COUNCIL
SEP 18 2008
READ AND PASSED


PRES.


CLERK

APPROVED


MAYOR

9/22/08