

106TH CONGRESS
2^D SESSION

H. R. 5620

To require operators of electronic marketplaces to disclose the ownership and management of such marketplaces to market participants, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 1, 2000

Mrs. MALONEY of New York introduced the following bill; which was referred to the Committee on Commerce

A BILL

To require operators of electronic marketplaces to disclose the ownership and management of such marketplaces to market participants, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Electronic Marketplace
5 Ownership Disclosure Act”.

6 **SEC. 2. FEDERAL TRADE COMMISSION REGULATIONS.**

7 (a) DISCLOSURE REQUIRED.—The Commission shall
8 prescribe rules in accordance with this section to prohibit
9 unfair and deceptive acts and practices in the operation

1 of an electronic marketplace by requiring the operator of
2 such market to disclose—

3 (1) the identity of—

4 (A) the entities that have a controlling eq-
5 uity stake in such marketplaces;

6 (B) the corporate parents of any subsidi-
7 aries or affiliates with a controlling equity stake
8 in such marketplaces; and

9 (C) the names of the directors and officers
10 of each such entity, parent, subsidiary, or affil-
11 iate;

12 (2) the extent to which the controlling equity
13 holders, or any subsidiary or affiliate, is or intends
14 to become a trading participant in such a market-
15 place; and

16 (3) the percentage of the marketplace's oper-
17 ating expenses and overhead that are paid by the
18 controlling equity stakeholder.

19 (b) RULEMAKING.—

20 (1) IN GENERAL.—The Commission shall pre-
21 scribe the rules under subsection (a) within 270
22 days after the date of enactment of this Act. Such
23 rules shall be prescribed in accordance with section
24 553 of title 5, United States Code.

1 (2) ACCESS VIA THE INTERNET.—The rules
2 prescribed by the Commission under subsection (a)
3 shall require that the information required to be dis-
4 closed under such subsection be readily accessible to
5 the public through the Internet.

6 (c) ENFORCEMENT.—Any violation of any rule pre-
7 scribed under subsection (a) shall be treated as a violation
8 of a rule respecting unfair or deceptive acts or practices
9 under section 5 of the Federal Trade Commission Act (15
10 U.S.C. 45). Notwithstanding section 5(a)(2) of such Act
11 (15 U.S.C. 45(a)(2)), communications common carriers
12 shall be subject to the jurisdiction of the Commission for
13 purposes of this Act.

14 (d) ACTIONS BY THE COMMISSION.—The Commis-
15 sion shall prevent any person from violating a rule of the
16 Commission under this section in the same manner, by
17 the same means, and with the same jurisdiction, powers,
18 and duties as though all applicable terms and provisions
19 of the Federal Trade Commission Act (15 U.S.C. 41 et
20 seq.) were incorporated into and made a part of this Act.
21 Any person who violates such rule shall be subject to the
22 penalties and entitled to the privileges and immunities
23 provided in the Federal Trade Commission Act in the
24 same manner, by the same means, and with the same ju-
25 risdiction, power, and duties as though all applicable terms

1 and provisions of the Federal Trade Commission Act were
2 incorporated into and made a part of this Act.

3 **SEC. 3. DEFINITIONS.**

4 As used in this Act:

5 (1) COMMISSION.—The term “Commission”
6 means the Federal Trade Commission.

7 (2) ELECTRONIC MARKETPLACE.—The term
8 “electronic marketplace” means an entity or group
9 of entities using electronic means to trade goods or
10 services, including online Internet exchanges and
11 electronic communications networks (“ECN’s”).

12 (3) INTERNET EXCHANGE.—The term “Inter-
13 net exchange” means an electronic marketplace con-
14 ducted over the combination of computer facilities
15 and electromagnetic transmission media, and related
16 equipment and software, comprising the inter-
17 connected worldwide network of computer networks
18 that employ the Transmission Control Protocol/
19 Internet Protocol or any successor protocol to trans-
20 mit information, commonly known as the “Internet”.

21 (4) ELECTRONIC COMMUNICATIONS NET-
22 WORKS.—The term “electronic communications net-
23 works (“ECN’s”) means computerized systems that
24 automatically match orders between buyers and sell-
25 ers.

1 (5) SUBSIDIARY OR AFFILIATE.—The term
2 “subsidiary or affiliate” means any company that
3 controls, is controlled by, or is under common con-
4 trol with another company.

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