

110TH CONGRESS
2D SESSION

H. R. 6264

To prevent excessive speculation in over-the-counter derivatives markets for certain energy commodities by limiting participation in those markets to persons who are capable of producing, manufacturing, or taking physical delivery of the commodities.

IN THE HOUSE OF REPRESENTATIVES

JUNE 12, 2008

Mr. LARSON of Connecticut (for himself, Mr. LOBIONDO, Mr. COURTNEY, Mr. KAGEN, Mr. WU, Mr. HILL, Mr. HINCHEY, and Mr. WELCH of Vermont) introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To prevent excessive speculation in over-the-counter derivatives markets for certain energy commodities by limiting participation in those markets to persons who are capable of producing, manufacturing, or taking physical delivery of the commodities.

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

1 **SECTION 1. LIMITATION ON PARTICIPATION IN OVER-THE-**
2 **COUNTER DERIVATIVES MARKETS FOR CER-**
3 **TAIN ENERGY COMMODITIES.**

4 (a) IN GENERAL.—Section 4 of the Commodity Ex-
5 change Act (7 U.S.C. 6) is amended by adding at the end
6 the following:

7 “(e)(1)(A) It shall be unlawful for a person to enter
8 into or execute a transaction which involves a specified en-
9 ergy commodity, and which is otherwise excluded under
10 section 2(g) or exempted under section 2(h), unless the
11 person—

12 “(i) meets the requirement of paragraph
13 (2)(A) of this subsection; or

14 “(ii)(I) is purchasing the contract or
15 agreement as an agent of a person who meets
16 the requirement; and

17 “(II) discloses the identity of the person
18 referred to in subclause (I) of this clause to the
19 seller of the contract.

20 “(B) It shall be unlawful for a person, after the 60-
21 day period that begins with the effective date of this sub-
22 section, to hold a contract or agreement of sale of a speci-
23 fied energy commodity for future delivery which is other-
24 wise excluded under section 2(g) or exempted under sec-
25 tion 2(h), unless the person—

1 “(i) meets the requirement of paragraph (2)(A)
2 or (2)(B) of this subsection; or

3 “(ii) is holding the contract or agreement as an
4 agent of a person who meets the requirement.

5 “(2)(A) A person meets the requirement of this sub-
6 paragraph with respect to a commodity if—

7 “(i) the person has filed with the Commission
8 an affidavit attesting that the person has the capac-
9 ity to accept physical delivery of the commodity; and

10 “(ii) the Commission has certified that the per-
11 son has the capacity.

12 “(B) A person meets the requirement of this subpara-
13 graph with respect to a commodity if—

14 “(i) the person has filed with the Commission
15 an affidavit attesting that the person has the capac-
16 ity to produce or manufacture the commodity; and

17 “(ii) the Commission has certified that the per-
18 son has the capacity.

19 “(3) In this subsection, the term ‘specified energy
20 commodity’ means crude oil, heating oil, gasoline, or diesel
21 fuel.”.

22 (b) CONFORMING AMENDMENTS.—

23 (1) Section 2(g) of such Act (7 U.S.C. 2(g)) is
24 amended by inserting “4(e),” before “5a”.

1 (2) Section 2(h)(2)(A) of such Act (7 U.S.C.
2 2(h)(2)(A)) is amended by striking “5b” and insert-
3 ing “4(e), 5b”.

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