

110TH CONGRESS
2D SESSION

H. R. 6372

To reestablish standards from the Commodity Exchange Act to provide for the regulation of United States markets in energy commodity futures, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 25, 2008

Mr. HILL introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To reestablish standards from the Commodity Exchange Act to provide for the regulation of United States markets in energy commodity futures, 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 “Commodity Futures
5 Restoration Act”.

1 **SEC. 2. JURISDICTION OF THE COMMODITY FUTURES**
2 **TRADING COMMISSION EXTENDED TO DE-**
3 **RIVATIVES INVOLVING ENERGY COMMOD-**
4 **ITIES.**

5 (a) **REMOVAL OF ENERGY COMMODITIES FROM DEF-**
6 **INITION OF EXEMPT COMMODITY.**—Section 1a(14) of the
7 **Commodity Exchange Act (7 U.S.C. 1a(14))** is amended
8 by inserting “, an energy commodity,” after “excluded
9 commodity”.

10 (b) **ENERGY COMMODITY DEFINED.**—Section 1a of
11 the **Commodity Exchange Act (7 U.S.C. 1a)** is amended—

12 (1) by redesignating paragraphs (13) through
13 (34) as paragraphs (14) through (35), respectively;
14 and

15 (2) by inserting after paragraph (12) the fol-
16 lowing:

17 “(13) **ENERGY COMMODITY.**—The term ‘energy
18 commodity’ means—

19 “(A) coal;

20 “(B) crude oil, gasoline, diesel fuel, heat-
21 ing oil, and propane;

22 “(C) electricity;

23 “(D) natural gas; and

24 “(E) any other commodity (other than an
25 excluded commodity, a metal, or an agricultural

1 commodity) that is used as a source of energy,
2 as the Commission deems appropriate.”.

3 **SEC. 3. NARROWING OF THE FOREIGN BOARD OF TRADE**
4 **EXCEPTION TO THE REQUIREMENT THAT**
5 **CERTAIN FUTURES TRANSACTIONS BE CON-**
6 **DUCTED ON OR THROUGH A DESIGNATED**
7 **CONTRACT MARKET OR DERIVATIVES TRANS-**
8 **ACTION EXECUTION FACILITY.**

9 Section 4 of the Commodity Exchange Act (7 U.S.C.
10 6) is amended by adding at the end the following:

11 “(e)(1) For purposes of this Act, a board of trade,
12 exchange, or market shall not be considered to be foreign
13 or located outside the United States if—

14 “(A) the board of trade, exchange, or market
15 has an affiliate located in the United States;

16 “(B) a contract of sale of a commodity other
17 than an exempt commodity for future delivery in the
18 United States is executed or traded on or through
19 the board of trade, exchange, or market; or

20 “(C) a significant price discovery contract is ex-
21 ecuted or traded on or through the board of trade,
22 exchange, or market.

23 “(2) For the purposes of paragraph (1)(A), an entity
24 is deemed to be an affiliate of a board of trade, exchange
25 or market if—

1 “(A) the entity owns 50 percent or more of the
2 board of trade, exchange, or market;

3 “(B) the board, exchange, or market owns 50
4 percent or more of the entity; or

5 “(C) a third person owns 50 percent or more of
6 the entity and 50 percent or more of the board of
7 trade, exchange, or market.”.

8 **SEC. 4. JURISDICTION OF THE COMMODITY FUTURES**
9 **TRADING COMMISSION EXTENDED TO SWAPS**
10 **INVOLVING AN ENERGY COMMODITY.**

11 (a) **ELIMINATION OF EXEMPTION FOR EXCLUDED**
12 **SWAP TRANSACTIONS INVOLVING AN ENERGY COM-**
13 **MODITY.**—Section 2(g) of the Commodity Exchange Act
14 (7 U.S.C. 2(g)) is amended by inserting “or an energy
15 commodity” after “agricultural commodity”.

16 (b) **SWAPS INVOLVING AN ENERGY COMMODITY TO**
17 **BE TAKEN INTO ACCOUNT IN DETERMINING COMPLI-**
18 **ANCE WITH POSITION AND TRANSACTION LIMITS, WITH-**
19 **OUT REGARD TO EXEMPTION FOR BONA FIDE HEDGING**
20 **TRANSACTIONS.**—Section 4a(e) of such Act (7 U.S.C.
21 6a(e)) is amended by adding at the end the following:
22 “The preceding provisions of this subsection shall not
23 apply to swaps that involve an energy commodity.”.

1 **SEC. 5. PROGRESS REPORT.**

2 (a) REPORT ON LIMITS FIXED WITH RESPECT TO
3 ENERGY COMMODITIES.—Within 90 day after the effec-
4 tive date of this Act, the Commodity Futures Trading
5 Commission shall submit to the Committee on Agriculture
6 of the House of Representatives and the Committee on
7 Agriculture, Nutrition, and Forestry of the Senate a re-
8 port on—

9 (1) the progress of the Commission in imple-
10 menting the amendments made by the preceding
11 provisions of this Act, including an explanation of—

12 (A) any exemptions provided by the Com-
13 mission from the requirements resulting from
14 any such amendment; and

15 (B) if the Commission has not established
16 position limits with respect to contracts of sale
17 of an energy commodity for future delivery, why
18 the Commission has not done so; and

19 (2) any margin requirements applicable to
20 transactions in the contracts.

21 (b) DEFINITIONS.—The terms used in subsection (a)
22 shall have the meanings given the terms in the Commodity
23 Exchange Act.

1 **SEC. 6. FEDERAL ENERGY REGULATORY COMMISSION**
2 **OVERSIGHT.**

3 Nothing in this Act shall affect the authority of the
4 Federal Energy Regulatory Commission under the Nat-
5 ural Gas Act (15 U.S.C. 717 et seq.) or any other law
6 to obtain information or otherwise carry out the respon-
7 sibilities of the Federal Energy Regulatory Commission.

8 **SEC. 7. FEDERAL TRADE COMMISSION AUTHORITY OVER**
9 **MARKET MANIPULATION.**

10 Nothing in this Act shall be construed as interfering
11 with the prohibition contained in subtitle B of title VIII
12 of the Energy Independence and Security Act of 2007 (42
13 U.S.C. 17301 et seq.) or the authority of the Federal
14 Trade Commission to enforce such subtitle.

15 **SEC. 8. EFFECTIVE DATE.**

16 This Act and the amendments made by this Act shall
17 take effect 6 months after the date of the enactment of
18 this Act.

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