AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

113TH CONGRESS
1ST SESSION

H. R. 1003

To improve consideration by the Commodity Futures Trading Commission of the costs and benefits of its regulations and orders.

IN THE HOUSE OF REPRESENTATIVES

MARCH 6, 2013

Mr. CONAWAY (for himself, Mr. DAVID SCOTT of Georgia, Mr. JORDAN, Mr. MCHENRY, and Mr. GARRETT) introduced the following bill; which was referred to the Committee on Agriculture

---

A BILL

To improve consideration by the Commodity Futures Trading Commission of the costs and benefits of its regulations and orders.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CONSIDERATION BY THE COMMODITY FUTURES TRADING COMMISSION OF THE COSTS AND BENEFITS OF ITS REGULATIONS AND ORDERS.

Section 15(a) of the Commodity Exchange Act (7 U.S.C. 19(a)) is amended by striking paragraphs (1) and (2) and inserting the following:

"(1) IN GENERAL.—Before promulgating a regulation under this Act or issuing an order (except as provided in paragraph (3)), the Commission, through the Office of the Chief Economist, shall assess the costs and benefits, both qualitative and quantitative, of the intended regulation and propose or adopt a regulation only on a reasoned determination that the benefits of the intended regulation justify the costs of the intended regulation (recognizing that some benefits and costs are difficult to quantify). It must measure, and seek to improve, the actual results of regulatory requirements.

"(2) CONSIDERATIONS.—In making a reasoned determination of the costs and the benefits, the Commission shall evaluate—

"(A) considerations of protection of market participants and the public;

"(B) considerations of the efficiency, competitiveness, and financial integrity of futures and swaps markets;

"(C) considerations of the impact on market liquidity in the futures and swaps markets;

"(D) considerations of price discovery;

"(E) considerations of sound risk management practices;

"(F) available alternatives to direct regulation;

"(G) the degree and nature of the risks posed by various activities within the scope of its jurisdiction;

"(H) whether, consistent with obtaining regulatory objectives, the regulation is tailored to impose the least burden on society, including market participants, individuals, businesses of differing sizes, and other entities (including small communities and governmental entities), taking into account, to the extent practicable, the cumulative costs of regulations;

"(I) whether the regulation is inconsistent, incompatible, or duplicative of other Federal regulations;

"(J) whether, in choosing among alternative regulatory approaches, those approaches maximize net benefits (including potential economic, environmental, and other benefits, distributive impacts, and equity); and

"(K) other public interest considerations.".

○