

## Union Calendar No. 337

112<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 1840

[Report No. 112-482]

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

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### IN THE HOUSE OF REPRESENTATIVES

MAY 11, 2011

Mr. CONAWAY (for himself, Mr. QUIGLEY, Mr. MCHENRY, Mr. BOSWELL, and  
Mr. NEUGEBAUER) introduced the following bill; which was referred to  
the Committee on Agriculture

MAY 16, 2012

Additional sponsors: Mr. OWENS, Mr. GARRETT, Mr. STIVERS, Mr.  
KINGSTON, Mr. RIBBLE, and Mr. GIBSON

MAY 16, 2012

Committed to the Committee of the Whole House on the State of the Union  
and ordered to be printed

# **A BILL**

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

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. CONSIDERATION BY THE COMMODITY FU-**  
4 **TURES TRADING COMMISSION OF THE COSTS**  
5 **AND BENEFITS OF ITS REGULATIONS AND**  
6 **ORDERS.**

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

10 “(1) IN GENERAL.—Before promulgating a reg-  
11 ulation under this Act or issuing an order (except as  
12 provided in paragraph (3)), the Commission,  
13 through the Office of the Chief Economist, shall as-  
14 sess the costs and benefits, both qualitative and  
15 quantitative, of the intended regulation and propose  
16 or adopt a regulation only on a reasoned determina-  
17 tion that the benefits of the intended regulation jus-  
18 tify the costs of the intended regulation (recognizing  
19 that some benefits and costs are difficult to quan-  
20 tify). It must measure, and seek to improve, the ac-  
21 tual results of regulatory requirements.

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

1           “(A) considerations of protection of market  
2 participants and the public;

3           “(B) considerations of the efficiency, com-  
4 petitiveness, and financial integrity of futures  
5 and swaps markets;

6           “(C) considerations of the impact on mar-  
7 ket liquidity in the futures and swaps markets;

8           “(D) considerations of price discovery;

9           “(E) considerations of sound risk manage-  
10 ment practices;

11           “(F) available alternatives to direct regula-  
12 tion;

13           “(G) the degree and nature of the risks  
14 posed by various activities within the scope of  
15 its jurisdiction;

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

1           “(I) whether the regulation is inconsistent,  
2 incompatible, or duplicative of other Federal  
3 regulations;

4           “(J) whether, in choosing among alter-  
5 native regulatory approaches, those approaches  
6 maximize net benefits (including potential eco-  
7 nomic, environmental, and other benefits, dis-  
8 tributive impacts, and equity); and

9           “(K) other public interest considerations.”.

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