Mr. HENSARLING. Madam Speaker, I now yield 2 minutes to the gentleman from Georgia (Mr. SCOTT), who is the lead cosponsor of this bill from the Agriculture Committee.

Mr. AUSTIN SCOTT of Georgia. I thank the gentleman.

Mr. HENSARLING. Madam Speaker, I rise today in support of H.R. 634, the Business Risk Mitigation and Price Stabilization Act of 2013. And I, too, would like to thank many of the Members on the other side of the aisle as well as mine, specifically, Mr. MCINTYRE from North Carolina for his work on the Ag Committee on this piece of legislation.

This bill clarifies congressional intent by providing a clear exemption for non-financial end users that qualify for the clearing exception under Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Across the country, consumers and businesses alike are confronted with risks that are associated with their day-to-day operations. To manage these risks, businesses use over-thecounter derivatives to provide price certainty. Consumers, in turn, benefit from these risk-management practices through lower volatility in the day-to-day prices of the goods and services that they purchase.

By passing this legislation, Congress is providing a specific exemption from clearing and margin requirements for business entities like mine and rural electric cooperatives.

To further the initial goal, H.R. 634 clarifies Congress’ intent of keeping much-needed capital in the U.S. markets, which plays an important role in our country’s continued economic growth.

I would also like to reiterate the fact that last year Congress passed this same piece of legislation 370-24. For this reason, I ask my colleagues to support H.R. 634, so that businesses and individuals may benefit from the day-to-day risk-management prices that this will provide.

Mr. MCINTYRE. I reserve the balance of my time.

Mr. HENSARLING. Madam Speaker, I now yield 2 minutes to the gentlelady from Missouri (Mrs. HARTZLER), also a member of the Agriculture Committee.

Mrs. HARTZLER. I rise today in strong support of H.R. 634, the Business Risk Mitigation and Price Stabilization Act of 2013.

This bipartisan, commonsense piece of legislation is critical for commercial end users like farm credit companies and rural electric cooperatives to be able to use swaps to manage their long-term risks.

Earlier this year, I introduced H.R. 2136, the School Business Credit Availability Act, to address this very issue. I’m pleased that my colleagues have put together this legislation, which addresses the concerns that I have with clearing and margin requirements for rural electric cooperatives.

It’s important to every family in my district to be able to count on reasonable and predictable electric bills without unplanned price fluctuations. This bill ensures that the rural electric cooperatives in my district will be able to manage their long-term risk without the burden of costly clearing and margin requirements.

Rural cooperatives in my district provide a great service to the lowest rates possible. Requiring these rural cooperatives to post margin on their swaps merely ties up working capital and will unnecessarily lead to higher electricity costs across the U.S.

I was pleased to see that earlier this year the CFTC included many of these end users, like rural cooperatives, in their proposed rulemaking on the clearing exemption. I support this legislation’s directive to close the loophole by granting margin exemptions to entities that those same entities as well.

Again, I support H.R. 634, and I urge my colleagues to vote for this legislation.

Mr. MCINTYRE. I reserve the balance of my time.

Mr. HENSARLING. Madam Speaker, I now yield 2 minutes to the gentleman from Georgia (Mr. SCOTT), who is the lead cosponsor of this bill from the Agriculture Committee.

Mr. SCOTT. I thank the gentleman.

Again, I urge all of my colleagues to adopt it, and I yield back the balance of my time.
Exchange Act of 1934 (15 U.S.C. 78m(n)(5)(H)) is amended to read as follows: ‘

(5) CONFIDENTIALITY AGREEMENT.—Before the security-based swap data repository may share information with any entity described in subparagraph (G), the security-based swap data repository shall receive a written agreement from each entity stating that the entity shall abide by the confidentiality requirements described in section 24 relating to the information on security-based swap transactions that is provided.

(d) PROVISION.—The amendments made by this Act shall take effect as if enacted as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111–203) on July 21, 2010.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Arkansas (Mr. CRAWFORD) and the gentleman from Georgia (Mr. DAVID SCOTT) each will control 20 minutes.

The Chair recognizes the gentleman from Arkansas.

Mr. CRAWFORD. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 742.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. CRAWFORD. Madam Speaker, I yield myself such time as I may consume.

I want to thank the cosponsors of this bill, especially Mr. HUIZENGA, Ms. MOORE, and Mr. MALONEY, for joining me in this bipartisan effort to help bring transparency to the global swap markets. While I may not agree with every provision of the Dodd-Frank law, today I believe we’re working towards its bipartisan goal of giving the regulators the tools they need to improve systemic risk mitigation in the global financial markets.

I think everyone agrees that the lack of transparency in the over-the-counter derivatives markets escalated the financial crisis of 2008. In order to provide market transparency, the Dodd-Frank law requires post-trade reporting to swap data repositories, or SDRs, so that regulators and market participants have access to realtime market data that help identify systemic risk in the financial system. So far we have made great strides in reaching this goal, but unfortunately a provision in the law threatens to undermine our progress unless we fix it.

Currently, Dodd-Frank includes a provision requiring a foreign regulator to indemnify a U.S.-based SDR for any expenses arising from litigation relating to a request for market data. Unlike the rest of the world, the concept of indemnification is only established within U.S. tort law. As a result, foreign regulators have been reluctant to comply with this provision, and international regulatory coordination is being threatened.

While the intent of the provision was to protect market confidentiality, in practice it threatens to fragment global data on swap markets. Foreign regulators would be forced to create their own SDRs, resulting in a fragmented global data framework where regulators would be unable to see a complete picture of the marketplace. Without effective coordination between international regulators and SDRs, monitoring and mitigating global systemic risk is severely limited.

H.R. 742 fixes this problem by removing the indemnification provisions in Dodd-Frank. This legislation has received bipartisan support and was unanimously approved by the House Agriculture Committee in March and the House Financial Services Committee in May. Additionally, last year, the SEC testified to the Financial Services Committee that a legislative solution was needed, saying:

In removing the indemnification requirement, Congress would assist the SEC, as well as other regulators, in securing the access it needs to data held in global trade repositories.

Many other U.S. and foreign regulators have echoed these same sentiments.

If left unresolved, the indemnification provision in Dodd-Frank has the potential to effectively reduce transparency in the over-the-counter derivatives markets and undo the great progress already being made through the cooperative efforts of more than 50 regulators worldwide. In passing this legislation, we will ensure that regulators will have access to a global set of swap market data, which is essential to maintaining the highest degree of market transparency and risk mitigation.

I strongly urge my colleagues to vote “yes” on this bill.

With that, I reserve the balance of my time.

Mr. DAVID SCOTT of Georgia. Madam Speaker, I ask unanimous consent to yield 10 minutes of my time to Ms. MOORE of Wisconsin, who’s done a tremendous job on this issue, and that she be allowed to yield back that time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. DAVID SCOTT. Madam Speaker, I yield myself such time as I may consume.

I rise today in support of H.R. 742, the Swap Data Repository and Clearinghouse Indemnification Correction Act, which has been sponsored by my colleague and good friend Representative CRAWFORD from Arkansas, and it’s been a pleasure to work with him on this. I would like to strongly urge all of my colleagues to vote in favor of this bill.

H.R. 742 is noncontroversial and it is highly bipartisan, shared by both Democrats and Republicans alike. It passed the Agriculture Committee by voice vote unanimously, and it passed the Financial Services Committee by unanimous vote as well, 52-0.

Madam Speaker, Dodd-Frank ushered in a new era of financial marketing, reporting and transparency requirements—which was very much needed—in order to aid regulators by providing insight into what were once very opaque markets and to facilitate information-sharing between and among United States and international regulators. There were very fluid and necessary changes that were welcome by regulators and market participants alike.

Dodd-Frank also included a provision requiring that in order for the gathered information to be shared, the SEC and the CFTC, or a swap data repository, be indemnified against accidental release or misuse of information.

Unfortunately, Madam Speaker, this indemnification provision is having an unintended consequence, an unintended effect of preventing data collection and information-sharing, particularly when international transactions and international regulators are involved, because indemnification is a concept unique only to the United States. H.R. 742 would very simply remove this indemnification requirement, as requested by United States, foreign regulators and swap data repositories, so that we can realize the level of global information-sharing that is so critical to monitoring systemic risk.

Madam Speaker, as I said, I strongly support this very simple but necessary bill that will help to facilitate greater information-sharing, as intended by Dodd-Frank, and I encourage my colleagues to do the same.

I reserve the balance of my time.

Mr. CRAWFORD. Madam Speaker, I would like to yield 3 minutes to the lead cosponsor in Financial Services on this bill, the gentleman from Michigan (Mr. HUIZENGA).

Mr. HUIZENGA of Michigan. Madam Speaker, I appreciate that from my friend from Arkansas, who has shown great leadership on this issue.

Madam Speaker, thousands of companies across this country and in my State of Michigan utilize derivatives to better manage the risks that they face every day. The proper use of derivatives to lower risk benefits the global economy by allowing a range of businesses, from manufacturing to health care, agriculture and a myriad of others, to improve their planning and forecasting and offer more stable prices to consumers.

By imposing over-the-top regulatory burdens on end users, this could increase costs and reduce liquidity that would prevent these companies from using derivatives markets efficiently, effectively, and properly. That is why I am a proud sponsor of H.R. 742, the Data Swap Repository and Clearinghouse Indemnification Correction Act—quite a mouthful, but an important piece of bipartisan legislation—which unanimously passed both the Agriculture and the Financial Services Committees—a rare feat in Washington these days—and it would remove the unrealistic requirement to secure
against future losses, which some have noted is a concept unique to U.S. law. But it would remove these unrealistic requirements imposed on foreign regulators by Dodd-Frank as a condition of obtaining access to the data repositories that we want to share.

In fact, earlier this year, the CFTC and the SEC—the regulatory agencies—issued a Joint Report on International Swap Regulation acknowledging the problems with indemnification provisions in Dodd-Frank. The SEC in the report stated that the indemnification provisions have “caused concern among foreign regulators, some of which have expressed unwillingness to register or recognize (a swaps data repository) unless able to have direct access to necessary information.”

Additionally, the report noted:

> Congress may determine that a legislative amendment to the indemnification provision is appropriate.

Folks, despite opposition from the Secretary of the Treasury and the White House, here is the bipartisan answer, and we are determined to see that people on all sides—right, left, and center—have agreed that this is a proper measured step to solve this issue. As you can see, this legislative solution is a small technical fix to the Dodd-Frank Act, that it’s something we need to do in order to maintain the integrity of domestic and global derivatives market regulations, so I urge the swift passage of H.R. 742.

Ms. MOORE. Again, I do want to thank Mr. SCOTT, and I yield myself such time as I may consume.

I am so delighted to be the lead sponsor on the Democratic side of the Financial Services Committee of this critical legislation. However, I do want to thank all of my colleagues on both the Ag Committee and the Financial Services Committee for their leadership and support on this nuanced, but critically important, legislation. It really took the hard work of a bipartisan group of members and staff to get this bill to this point.

H.R. 742, the Swap Data Repository and Clearing House Indemnification Correction Act, strikes the mandate that global regulators indemnify U.S.-based SDRs and regulators from liability in order to access swap trade data in U.S.-based SDRs.

Mr. SCOTT and Mr. CRAWFORD have done a fantastic job in walking through the details of this bill. I just want to add, Madam Speaker, that striking this indemnification provision does not compromise the new legal framework for the swap markets enacted in Dodd-Frank, nor does it erode any other important market protections. In fact, H.R. 742 ensures the functioning of the newly enacted swap regime and the ability in order to access swap trade data repositories to function as intended.

The bill passed both the House Financial Services and Ag Committees without opposition. The bill is supported by consumer advocacy groups as well as by business groups. In testimony before the Financial Services Committee, the Securities and Exchange Commission said of the bill:

> The SEC recommends that Congress consider removing the indemnification requirement added by the Dodd-Frank Act . . . the indemnification requirement interferes with access to essential information, including information about the cross-border OTC derivatives market.

H.R. 742 ensures information regarding the global swap market will be available to U.S. and foreign regulators, which will enhance the global transparency and oversight of derivatives markets.

I reserve the balance of my time.

Mr. CRAWFORD. Madam Speaker, I reserve the balance of my time.

Ms. MOORE. Madam Speaker, I yield 2½ minutes to my colleague, a senior member of the Financial Services Committee, the gentlelady from New York (Mrs. MALONEY).

Mrs. CAROLYN B. MALONEY of New York. I thank the gentlelady for her leadership and for yielding.

This is an easy, unifying, bipartisan effort, and I rise today in support of H.R. 742, the Swap Data Repository and Clearing House Indemnification Correction Act.

In enacting the Dodd-Frank Act, Congress passed the most sweeping reforms to the financial industry in decades in response to the worst economic crisis in our lifetimes. The facts are clear: the financial system is global and, as a result, systemic risk is global as well. We saw it in 2008 with the exposure that European banks had to counterparties like Lehman and Merrill, and we see it today with U.S. banks’ exposure to the European debt crisis. The great equalizer here is data.

This is the reason Dodd-Frank created swap data repositories. It was so that the regulators, domestic and foreign alike, could recognize prospective cracks in the financial armor before they become gaping holes. This is critically important, and we must get it right. Data collection has been one of the issues that I’ve worked hard on in the past, and I want to ensure that we are doing everything we can to support collaboration and to encourage an open exchange of data with our foreign counterparts.

Virtually everyone agrees that the indemnification provisions in Dodd-Frank will have the unintended consequence of limiting the extent to which our U.S. regulators share information with over 50 foreign regulators. That is the complete opposite of the direction we want to go. This bipartisan effort to correct a problem in Dodd-Frank is not an attempt in any way to weaken the bill. It is an attempt to make good legislation even better.

This bill will go a long way toward furthering a major goal of the Dodd-Frank legislation in reforms, which is sharing data and collaborating with foreign entities to reduce global systemic risk. This not only has strong bipartisan support, but it is likewise supported by the SEC. I urge my colleagues on both sides of the aisle to support this important correction.

Mr. CRAWFORD. Madam Speaker, I continue to reserve the balance of my time.

Ms. MOORE. Madam Speaker, I am so delighted at the support that I yield 2 minutes to someone who was formerly on the Ag Committee and is currently on the Financial Services Committee and who understands the importance of H.R. 742, the gentlelady from Alabama, Representative TRUMKA.

Ms. SEWELL of Alabama. I rise today in support of H.R. 742, the Swap Data Repository and Clearing House Indemnification Correction Act. H.R. 742 helps to ensure that regulators continue to share the transparency in the derivatives market needed to make the critical decisions to help mitigate risk in our domestic and international financial markets.

We continue to work with the implementation process of Dodd-Frank, we must be mindful of the original purpose and intent behind this essential reform to our financial markets. Dodd-Frank was intended to add more transparency and oversight to our financial markets and to ensure that another financial crisis and meltdown would never occur. However, Congress must continue to provide important guidance and oversight to financial regulatory agencies in order to ensure that no unintended consequences associated with these new regulations will run counter to the original intent.

That is why I support this bipartisan and commonsense technical correction and clarification to very important derivatives market regulations. As a former securities lawyer and finance professional, I believe that this bill, by correcting the indemnification provisions that impose burdensome regulations on our foreign regulators, will in many ways maintain the integrity of our financial markets; and I think it is the right thing to do.

While many aspects of the new derivatives market and the entire title VII regime remain uncertain, I want to applaud the diligent work of both the CFTC and the SEC in drafting and implementing these critically new regulations. Today’s vote helps to add clarity and clarification to very important de-

rivative reform. I also want to commend my colleagues on both sides of the aisle and my colleague, the gentleman from Wisconsin, GWEN MOORE, as well as my colleague from Georgia, DAVID SCOTT, for their leadership on this issue.

I urge my colleagues on both sides of the aisle to vote in favor of this important clarification and to support this bipartisan piece of legislation.

Mr. CRAWFORD. Madam Speaker, I continue to reserve the balance of my time.

Ms. MOORE. I yield myself such time as I may consume.
I am so pleased that H.R. 742 is before us so that people understand, Madam Speaker, that this process actually does work from time to time. This provision was added at the last minute to the Dodd-Frank bill. It was not fully vetted and not fully debated. In a very diligent way, two committees on both sides of the aisle were able to come together and really pull together this very modest, but extremely critical, important bill to make sure that there is transparency as well as fluidity in our oversight of derivatives markets.

Madam Speaker, on that I demand the rules and pass the bill, H.R. 742.

Ms. Moore from Wisconsin, Ms. S-E-C-R-A-W-F-O-R-D that the House suspend the general rules and proceed with the gentleman from Arkansas (Mr. C-R-A-W-F-O-R-D) to make a second. Mr. CRAWFORD. Madam Speaker, I yield myself such time as I may consume in the course of the debate, I would like to close by simply saying a great thanks for the work of Mr. CRAWFORD from Arkansas, Mr. MOORE from Wisconsin, Ms. SEWELL from Alabama, and Mrs. MALONEY from New York in this great show of bipartisanship that will help us to facilitate greater information sharing, which was intended by Dodd-Frank.

I urge passage on this much-needed legislation, and I yield back the balance of my time.

Mr. DAVID SCOTT of Georgia. Madam Speaker, as I have no additional speakers, I would like to close by simply saying a great thanks for the work of Mr. CRAWFORD from Arkansas, Ms. MOORE from Wisconsin, Ms. SEWELL from Alabama, and Mrs. MALONEY from New York in this great show of bipartisanship that will help us to facilitate greater information sharing, which was intended by Dodd-Frank.

I urge a "yes" vote on H.R. 742, and I continue to reserve the balance of my time.

Mr. CRAWFORD. Madam Speaker, I thank the gentleman from Georgia. I again urge a "yes" vote on H.R. 742 and yield back the balance of my time.

The SPEAKER pro tempore. Pursuant to the request of the gentleman from Georgia (Mr. D A V I D S C O T T) each will control 20 minutes.

The Chair recognizes the gentleman from California.

Mr. LA MALFA Madam Speaker, I yield myself as much time as I may consume.

Mr. LA MALFA Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 1038.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LA MALFA Madam Speaker, I yield myself as much time as I may consume.

Mr. Speaker, the premise of the heavily bipartisan Public Power Risk Management Act is simple and is one that all Members of the House should support. It seeks to keep electricity and natural gas rates from increasing for over 47 million Americans. Those 47 million are customers of over 2,000 publicly owned utilities who have used swaps to manage their risk for years.

Unfortunately, the Dodd-Frank Act, though well-intentioned and enacted to make reforms to our Nation's financial industry, has been used to limit who can do business with a publicly owned utility.

For example, in my district specifically, the city of Redding, California, the Redding Electric Utility has been concerned that potential limitations to hedging options in the future could increase the costs to their customers, as well as Grays Harbor Public Utility District, a community-owned nonprofit utility that serves 45,000 customers in Washington State, which previously had 20 counterparties whom they could use to help manage their risk. Says Doug Streeter, its chief financial officer. Now, instead of 20, it is down to just one. Mr. Streeterúa says, "It wasn't a big book of business for them, and it's just not worth it for them to be designated as a swap dealer. They're not willing to take that on, so they've left the market." continued Mr. Streeter.

Of course, this unintended consequence is affecting utilities in congressional districts all across the country.