
PROVIDING FOR CONSIDERATION OF THE BILL (H.R. 4413) TO REAUTHORIZE THE COMMODITY FUTURES TRADING COMMISSION, TO BETTER PROTECT FUTURES CUSTOMERS, TO PROVIDE END USERS WITH MARKET CERTAINTY, TO MAKE BASIC REFORMS TO ENSURE TRANSPARENCY AND ACCOUNTABILITY AT THE COMMISSION, TO HELP FARMERS, RANCHERS, AND END USERS MANAGE RISKS TO HELP KEEP CONSUMER COSTS LOW, AND FOR OTHER PURPOSES

June 18, 2014.—Referred to the House Calendar and ordered to be printed.

MR. SESSIONS, from the Committee on Rules, submitted the following

R E P O R T

[To accompany H. Res. __]

The Committee on Rules, having had under consideration House Resolution ____, by a record vote of 8 to 2, report the same to the House with the recommendation that the resolution be adopted.

SUMMARY OF PROVISIONS OF THE RESOLUTION

The resolution provides for consideration of H.R. 4413, the Customer Protection and End User Relief Act, under a structured rule. The resolution provides one hour of general debate equally divided and controlled by the chair and ranking minority member of the Committee on Agriculture. The resolution waives all points of order against consideration of the bill. The resolution makes in order as original text for purpose of amendment an amendment in the nature of a substitute consisting of the text of Rules Committee Print 113-47 and provides that it shall be considered as read. The resolution waives all points of order against that amendment in the nature of a substitute. The resolution makes in order only those further amendments printed in this report. Each such amendment may be offered only in the order printed in this report, may be offered only by a Member designated in this report, shall be considered as read, shall be debatable for the time specified in this report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the

Committee of the Whole. The resolution waives all points of order against the amendments printed in this report. The resolution provides one motion to recommit with or without instructions.

EXPLANATION OF WAIVERS

Although the resolution waives all points of order against consideration of the bill, the Committee is not aware of any points of order. The waiver is prophylactic in nature.

The waiver of all points of order against the amendment in the nature of a substitute to H.R. 4413 made in order as original text includes a waiver of clause 7 of rule XVI, requiring that no motion or proposition on a subject different from that under consideration shall be admitted under color of amendment. Provisions contained in Rules Committee Print 113-47 fall outside of the jurisdiction of the Committee on Agriculture.

Although the resolution waives all points of order against the amendments printed in this report, the Committee is not aware of any points of order. The waiver is prophylactic in nature.

COMMITTEE VOTES

The results of each record vote on an amendment or motion to report, together with the names of those voting for and against, are printed below:

Rules Committee Record Vote No. 142

Motion by Ms. Slaughter to divide the debate time equally between the Committees on Agriculture and Financial Services. Defeated: 2-8

Majority Members	Vote	Minority Members	Vote
Ms. Foxx.....	Nay	Ms. Slaughter.....	Yea
Mr. Bishop of Utah.....	Nay	Mr. McGovern.....	
Mr. Cole.....	Nay	Mr. Hastings of Florida.....	Yea
Mr. Woodall.....	Nay	Mr. Polis.....	
Mr. Nugent.....	Nay		
Mr. Webster.....	Nay		
Ms. Ros-Lehtinen.....			
Mr. Burgess.....	Nay		
Mr. Sessions, Chairman.....	Nay		

Rules Committee Record Vote No. 143

Motion by Mr. Hastings of Florida to report an open rule. Defeated: 2-8

Majority Members	Vote	Minority Members	Vote
Ms. Foxx.....	Nay	Ms. Slaughter.....	Yea
Mr. Bishop of Utah.....	Nay	Mr. McGovern.....	
Mr. Cole.....	Nay	Mr. Hastings of Florida.....	Yea
Mr. Woodall.....	Nay	Mr. Polis.....	
Mr. Nugent.....	Nay		
Mr. Webster.....	Nay		
Ms. Ros-Lehtinen.....			
Mr. Burgess.....	Nay		
Mr. Sessions, Chairman.....	Nay		

Rules Committee Record Vote No. 144

Motion by Ms. Foxx to report the rule. Adopted: 8-2

Majority Members	Vote	Minority Members	Vote
Ms. Foxx.....	Yea	Ms. Slaughter.....	Nay
Mr. Bishop of Utah.....	Yea	Mr. McGovern.....	
Mr. Cole.....	Yea	Mr. Hastings of Florida.....	Nay
Mr. Woodall.....	Yea	Mr. Polis.....	
Mr. Nugent.....	Yea		
Mr. Webster.....	Yea		
Ms. Ros-Lehtinen.....			
Mr. Burgess.....	Yea		
Mr. Sessions, Chairman.....	Yea		

SUMMARY OF THE AMENDMENTS MADE IN ORDER

1. DeFazio (OR): Adds one requirement to the study on high frequency trading: Whether such trading increases market volatility, including short term market swings such as the "flash crash." (10 minutes)
2. Jackson Lee (TX): Requires a study on entities regulated by the Commodities Futures Trading Commission. (10 minutes)
3. DelBene (WA), Gibson (NY), Vargas (CA): Ensures that the Commission's assessment of costs and benefits regarding rules and orders will be affirmed by a court unless that assessment is found to be an abuse of discretion. (10 minutes)
4. Waters (CA): Prohibits judicial review of any consideration by the CFTC of the costs and benefits of its rules and orders. (10 minutes)
5. Moore, Gwen (WI): Strikes Section 203, and replaces with the SENSE OF CONGRESS that the Commodities Future Trading Commission is already required by law to consider costs and benefits when promulgating rules and issuing orders, and is held accountable to this requirement by courts. (10 minutes)
6. Jackson Lee (TX): Preserves existing law by striking "United States Court of Appeals for the District of Columbia Circuit or the United States Court of Appeals for the circuit," and replaces with "United States District Court for the District of Columbia or the United States District Court for the district." (10 minutes)
7. Fincher (TN): Directs the Comptroller General of the United States to conduct a study of the efficiencies in leasing and rental costs at the Commodity Futures Trading Commission. (10 minutes)
8. Garrett (NJ): Exempts Registered Investment Companies (RICs) that are currently registered with the Securities and Exchange Commission (SEC) under the Investment Company Act of 1940 from duplicative registration requirements with the Commodity Futures Trading Commission (CFTC). The SEC will continue to have full regulatory oversight and enforcement authority over RICs. Does not remove the jurisdiction and regulatory authority that the CFTC has over all futures, options and swaps transactions that the RICs invest in on behalf of their customers who are pensioners, retirees, and savers. (10 minutes)

TEXT OF AMENDMENTS MADE IN ORDER

1. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE DEFAZIO OF OREGON OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

166

AMENDMENT TO RULES COMMITTEE PRINT 113-

47

OFFERED BY MR. DEFAZIO OF OREGON

Page 10, after line 12, insert the following:

- 1 (5) Whether such trading increases market vol-
- 2 atility, including short term market swings.



2. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE JACKSON LEE OF TEXAS OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

**AMENDMENT TO RULES COMMITTEE PRINT 113-
47
OFFERED BY MS. JACKSON LEE OF TEXAS**

Page 10, after line 12, insert the following:

1 **SEC. ____ . REPORT ON ENTITIES REGULATED BY THE**
2 **CFTC.**
3 Not later than 2 years after the date of the enact-
4 ment of this Act, the Commodity Futures Trading Com-
5 mission shall submit to the Committees on Agriculture,
6 Financial Services, and the Judiciary of the House of Rep-
7 resentatives and the Committees on Agriculture, Nutri-
8 tion, and Forestry, Banking, Housing, and Urban Affairs,
9 and the Judiciary of the Senate a report examining the
10 number of entities regulated by the Commodity Futures
11 Trading Commission, and with respect to those entities,
12 their size, practice models, and assets under management,
13 and those rendered defunct via bankruptcy or obsoles-
14 cence.



3. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE DELBENE OF WASHINGTON OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

17H

AMENDMENT TO RULES COMMITTEE PRINT 113-

47

OFFERED BY Ms. DelBene

Page 11, strike lines 5 through 7 and insert the following:

1 Section 15(a) of the Commodity Exchange Act (7
2 U.S.C. 19(a)) is amended—

3 (1) by striking paragraphs (1) and (2) and in-
4 serting the following:

Page 12, line 22, strike the last period and insert
“; and”.

Page 12, after line 22, insert the following:

5 (2) by adding at the end the following:

6 “(4) JUDICIAL REVIEW.—Notwithstanding sec-
7 tion 24(d), a court shall affirm a Commission as-
8 sessment of costs and benefits under this subsection,
9 unless the court finds the assessment to be an abuse
10 of discretion.”.



4. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE WATERS OF CALIFORNIA OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

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**AMENDMENT TO RULES COMMITTEE PRINT 113-
47
OFFERED BY MS. WATERS OF CALIFORNIA**

Page 11, strike lines 5 through 7 and insert the following:

1 Section 15(a) of the Commodity Exchange Act (7
2 U.S.C. 19(a)) is amended—
3 (1) by striking paragraphs (1) and (2) and in-
4 serting the following:

Page 12, line 22, strike the last period and insert
“; and”.

Page 12, after line 22, insert the following:

5 (2) by adding at the end the following:
6 “(4) JUDICIAL REVIEW.—This subsection is in-
7 tended only to improve the internal management of
8 the Commission and any estimate, analysis, state-
9 ment, description or report prepared under this sub-
10 section, and any compliance or noncompliance with
11 the provisions of this subsection, and any determina-
12 tion concerning the applicability of the provisions of
13 this subsection shall not be subject to judicial re-
14 view. No provision of this subsection shall be con-

1 strued to create any right or benefit, substantive or
2 procedural, enforceable at law by a party against the
3 United States, its agencies, its officers, or any per-
4 son.”.



5. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE MOORE OF WISCONSIN OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

AMENDMENT TO RULES COMMITTEE PRINT 113-

47

OFFERED BY MS. MOORE OF WISCONSIN

Page 11, strike line 1 and all that follows through page 12, line 22, and insert the following:

1 SEC. ____ . SENSE OF THE CONGRESS.

2 It is the sense of the Congress that the Commodity
3 Futures Trading Commission is required by law to con-
4 sider the costs and benefits when promulgating rules and
5 issuing orders, and is held accountable to this requirement
6 by our courts. Current law requires the Commission to
7 conduct economic analyses pursuant to the Paperwork Re-
8 duction Act, the Congressional Review Act, and the Regu-
9 latory Flexibility Act, as other agencies do. Unlike any
10 other financial regulator, the Commission is also bound
11 by the Commodity Exchange Act to consider the protec-
12 tion of market participants and the public; the efficiency,
13 competitiveness, and financial integrity of futures mar-
14 kets; price discovery; sound risk management practices;
15 and other public interest considerations. Notably, the Fed-
16 eral courts hold the Commission accountable and vacate
17 rulemaking that does not meet statutory requirements, as
18 demonstrated by the ruling by a United States district

1 court on the Commission's rule on commodity position lim-
2 its.



6. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE JACKSON LEE OF TEXAS OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

13

AMENDMENT TO RULES COMMITTEE PRINT 113-

47

OFFERED BY MS. JACKSON LEE OF TEXAS

Page 19, beginning on line 15, strike “United States Court of Appeals for the District of Columbia Circuit or the United States Court of Appeals for the circuit” and insert “United States District Court for the District of Columbia or the United States District Court for the district”.



7. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE FINCHER OF TENNESSEE OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

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AMENDMENT TO RULES COMMITTEE PRINT 113-

47

OFFERED BY MR. FINCHER OF TENNESSEE

Page 24, after line 21, insert the following:

1 **SEC. ____ . GAO STUDY ON COMMISSION LEASES.**

2 (a) The Comptroller General of the United States
3 shall, in consultation with the Commodity Futures Trad-
4 ing Commission Inspector General, conduct a study and
5 publish a report regarding achieving efficiencies in leasing
6 and rental costs at the Commodity Futures Trading Com-
7 mission.

8 (b) The report shall be published within 90 days after
9 the date of the enactment of this Act regarding achieving
10 efficiencies in leasing and rental costs of buildings occu-
11 pied by the Commodity Futures Trading Commission, and
12 shall include recommendations to the Chairman of the
13 Commodity Futures Trading Commission and the con-
14 gressional committees of jurisdiction regarding the fol-
15 lowing:

16 (1) Average occupancy rates and leasing costs
17 of buildings across the Federal Government com-
18 pared to those currently in effect with respect to

1 buildings and locations occupied by the Commodity
2 Futures Trading Commission;

3 (2) Changes to leasing authority that could
4 achieve efficiencies, including the revocation of inde-
5 pendent leasing authority and transfer of authority
6 to the Administrator of General Services;

7 (3) The recommendations and responses con-
8 tained in the report by the Commodity Futures
9 Trading Commission Inspector General, dated June
10 4, 2014.

11 (4) Other related recommendations that would
12 achieve efficiencies in leasing and rental costs of
13 buildings currently occupied by the Commodity Fu-
14 tures Trading Commission.

15 (5) Is the Commodity Futures Trading Com-
16 mission violating any laws, including the Anti-Defi-
17 ciency Act, by entering into these leases, particularly
18 those with more than 5-year terms, and if so, how
19 they can avoid violating Federal law in the future.

20 (c) The Chairman of the Commodity Futures Trad-
21 ing Commission shall report to the congressional commit-
22 tees of jurisdiction within 60 days after receipt of the re-
23 port as to whether the Chairman accepts or rejects each

- 1 of the recommendations of the Comptroller General, and
- 2 an explanation for each decision.



8. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE GARRETT OF NEW JERSEY OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

11

**AMENDMENT TO RULES COMMITTEE PRINT 113-
47
OFFERED BY MR. GARRETT OF NEW JERSEY**

Page 55, after line 2, insert the following:

1 **SEC. ____ . TREATMENT OF CERTAIN FUNDS.**

2 (a) AMENDMENT TO THE DEFINITION OF COM-
3 MODITY POOL OPERATOR.—Section 1a(11) of the Com-
4 modity Exchange Act (7 U.S.C. 1a(11)) is amended by
5 adding at the end the following:

6 “(C)(i) The term ‘commodity pool oper-
7 ator’ does not include a person who serves as
8 an investment adviser to an investment com-
9 pany registered pursuant to section 8 of the In-
10 vestment Company Act of 1940 or a subsidiary
11 of such a company, if the investment company
12 or subsidiary invests, reinvests, owns, holds, or
13 trades in commodity interests limited to only fi-
14 nancial commodity interests.

15 “(ii) For purposes of this subparagraph
16 only, the term ‘financial commodity interest’
17 means a futures contract, an option on a fu-
18 tures contract, or a swap, involving a com-
19 modity that is not an exempt commodity or an

1 agricultural commodity, including any index of
2 financial commodity interests, whether cash set-
3 tled or involving physical delivery.

4 “(iii) For purposes of this subparagraph
5 only, the term ‘commodity’ does not include a
6 security issued by a real estate investment
7 trust, business development company, or issuer
8 of asset-backed securities, including any index
9 of such securities.”.

10 (b) AMENDMENT TO THE DEFINITION OF COM-
11 MODITY TRADING ADVISOR.—Section 1a(12) of such Act
12 (7 U.S.C. 1a(12)) is amended by adding at the end the
13 following:

14 “(E) The term ‘commodity trading advisor’
15 does not include a person who serves as an in-
16 vestment adviser to an investment company reg-
17 istered pursuant to section 8 of the Investment
18 Company Act of 1940 or a subsidiary of such
19 a company, if the commodity trading advice re-
20 lates only to a financial commodity interest, as
21 defined in paragraph (11)(C)(ii) of this section.
22 For purposes of this subparagraph only, the
23 term ‘commodity’ does not include a security
24 issued by a real estate investment trust, busi-
25 ness development company, or issuer of asset-

1 backed securities, including any index of such
2 securities.”.

