

112TH CONGRESS  
1ST SESSION

# H. R. 1840

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

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## 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:

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

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

16                 “(A) considerations of protection of market  
17                 participants and the public;

18                 “(B) considerations of the efficiency, com-  
19                 petitiveness, and financial integrity of futures  
20                 and swaps markets;

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

23                 “(D) considerations of price discovery;

24                 “(E) considerations of sound risk manage-  
25                 ment practices;

1           “(F) available alternatives to direct regula-  
2           tion;

3           “(G) the degree and nature of the risks  
4           posed by various activities within the scope of  
5           its jurisdiction;

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

14          “(I) whether the regulation is inconsistent,  
15          incompatible, or duplicative of other Federal  
16          regulations;

17          “(J) whether, in choosing among alter-  
18          native regulatory approaches, those approaches  
19          maximize net benefits (including potential eco-  
20          nomic, environmental, and other benefits, dis-  
21          tributive impacts, and equity); and

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

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