

FLOOR SCHEDULE FOR THURSDAY, JANUARY 12, 2017

HOUSE MEETS AT:	FIRST VOTE PREDICTED:	LAST VOTE PREDICTED:
10:00 a.m.: Morning Hour 12:00 p.m.: Legislative Business Fifteen "One Minutes"	4:00 – 4:30 p.m.	4:30 – 5:00 p.m.

H.R. 238 – Commodity End-User Relief Act (Rep. Conaway – Agriculture) (One Hour of Debate). This bill would reauthorize the Commodity Futures Trading Commission (CFTC) through 2021 and make several significant changes to the way the CFTC operates as a commission and regulates derivatives and swaps under 2010’s Dodd-Frank Wall Street Reform and Consumer Protection Act.

The bill would fundamentally harm the process that the CFTC follows when conducting the cost-benefit analysis of new regulatory proposals by (1) significantly expanding the criteria the CFTC must use in evaluating proposed rules; (2) changing the standard of evaluation from ‘costs and benefits’ to a much more burdensome ‘reasoned determination’ of costs and benefits and (3) requiring the CFTC to assess whether a proposed rule ‘maximizes net benefits’ compared to all possible regulatory alternatives. The last change would almost certainly force the CFTC to evaluate a potentially limitless number of alternative rules before it could adopt a new rule – significantly increasing the agency’s workload and limiting the agency’s capacity to regulate commodities and derivatives trading as market conditions warrant.

The bill also includes language that would make each cost-benefit analysis of every proposed CFTC rule open to lawsuit - further slowing the rulemaking process while heaping added cost on the already limited funding for the CFTC.

The bill would also direct the CFTC to develop an approach to the regulation of derivatives trading that takes place outside the U.S., prohibiting the regulation of transactions booked by the foreign subsidiaries of U.S. banks, including transactions that have a direct and significant connection to the U.S. economy – in conflict with the language in Dodd-Frank.

H.R. 238 is nearly identical to [H.R. 2289](#) which passed the House on June 9, 2015. That vote can be found [here](#).

The Rule, which was adopted yesterday, makes in order 8 amendments, each debatable for 10 minutes, equally divided between the offeror and an opponent. The amendments are:

Aderholt Amendment. Amends the Commodity Exchange Act to give the CFTC authority to designate other agencies to manage its leases.

Austin Scott Amendment. Reforms the Customer Protection Fund at the CFTC to reduce the size of the fund, limit annual expenditures from the fund and return excess balances to the Treasury.

Conaway Amendment #3. Makes technical and conforming changes.

Conaway Amendment #4. Makes clear Congress's intent that the Commission may impose and implement position limits as it finds necessary, provided the Commission makes a finding prior to imposing such limits. It makes no changes to the longstanding federal position limits regime for the enumerated agricultural commodities or the existing statutory requirements that Designated Contract Markets impose position limits or accountability levels on all contracts.

Duffy/David Scott Amendment. Prohibits the CFTC from compelling the production of algorithmic trading source code and similar intellectual property unless it has issued a subpoena.

LaMalfa Amendment. Prevents a situation in which an end-user loses its ability to rely on the end-user exception to the clearing requirement due simply to the positive performance of transactions entered into solely to mitigate the prospect of falling revenues and asset values.

Lucas Amendment. Exempts all inter-affiliate transactions from being regulated as "swaps" under the Dodd-Frank related provisions of the Commodity Exchange Act ("CEA") and CFTC regulations promulgated thereunder.

Hartzler Amendment. Delays implementation of the CFTC Ownership and Control Reports Rule until the Chairman determines the rule has been amended by adjusting reporting trading volume levels to 300 contracts per day, removing the requirements for natural person controller data, and ensuring the rule does not require entities to violate foreign privacy laws.

Bill Text for H.R. 238:
[PDF Version](#)

H.R. 78 – SEC Regulatory Accountability Act (Rep. Wagner – Financial Services)(One Hour of debate). This bill would require the Securities and Exchange Commission’s (SEC) Chief Economist to conduct a cost-benefit analysis of proposed regulations and explain how their expected benefits justify their costs to a wide range of actors, including: market participants, individuals, businesses, and other bodies (including state and local governments). Under the bill, the SEC would also have to forecast their effect on investor choice, market liquidity, and small businesses. Only after these burdensome new requirements were met could the SEC issue new rules. H.R. 78 would also require the SEC to identify and assess available alternatives to the new regulation and explain why the new regulation meets the regulatory objectives more effectively than the alternatives.

Simply put, H.R. 78 is another in a long line of Republican measures since 2011 to undermine the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act. If enacted, it would undermine the SEC’s mandate to police the financial markets, protect investors, and help prevent a market crisis. It would substantially impede the SEC’s ability to propose or adopt any rule, by requiring the SEC to meet several new requirements that are weighted significantly in favor of industry at the expense of investor protections. To add insult to injury, no new funding is authorized to enable the agency to shoulder the new operational burdens imposed by the bill, which means the SEC will be compelled to divert resources from other critical divisions like Enforcement.

As if the burdens imposed on the SEC with respect to new rules is not enough, H.R. 78 would also force the SEC to review every one of its existing regulations within one year of the bill’s enactment, and every five years thereafter, to determine whether existing regulations are ineffective, insufficient, or excessively burdensome, and to modify, streamline, expand, or repeal them in accordance with that review. This guarantees that the agency will be mired in continuous litigation, unable to issue any new rules, and potentially unable to maintain even its current rules.

H.R. 78 is nearly identical to [H.R. 1062](#) which passed the House on May 17, 2013. That vote can be found [here](#).

The Rule, which was adopted yesterday, makes in order 5 amendments, debatable for 10 minutes, equally divided between the offeror and an opponent. The amendments are:

Waters Amendment. Requires the SEC to identify, analyze and address potential conflicts of interest related to its rulemakings.

Velazquez Amendment. Expressly instructs the SEC to consider the public interest and the protection of investors, as well as the promotion of efficiency, competition, and capital formation, when conducting a review of existing SEC regulations.

Al Green Amendment. Exempts regulations promulgated to maintain or support U.S. financial stability or prevent or reduce systemic risk from the provisions of the underlying bill.

DeSaulnier Amendment. Requires the Chairman of the SEC and his immediate family to divest from too-big-to-fail banks.

Raskin Amendment. Requires the Chairman of the Securities and Exchange Commission to be trained on ethical standards and codes of conduct to ensure all regulations promulgated are not compromised by a conflict of interest, specifically regarding prior employment and legal representation of too-big-to-fail banks.

Bill Text for H.R. 78:

[PDF Version](#)

TOMORROW’S OUTLOOK

The GOP Leadership has announced the following schedule for Friday, January 13: The House will meet at 9:00 a.m. for legislative business. The House is expected to consider the FY 2017 Budget Resolution. The House may consider legislation related to the General Mattis Waiver.

The Daily Quote

“Rep. Charlie Dent (R) of Pennsylvania told reporters Tuesday he and several of his Tuesday Group colleagues have ‘reservations about dealing with the budget resolution this week’ because Republican leaders’ health care replacement plan ‘has not yet been well defined.’ The Tuesday Group is an informal group of moderate Republicans. House Rules Chairman Pete Sessions, R-Texas, told CQ he wants more detail in a health care replacement plan. ‘I am very much in line with the members who have been to a good number of meetings that still fail to comprehend and understand where we are headed,’ Sessions said, adding that he hopes GOP leaders will listen and respond.”

- CQ, 1/11/2017



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