

110TH CONGRESS
2^D SESSION

H. R. 6377

To direct the Commodity Futures Trading Commission to utilize all its authority, including its emergency powers, to curb immediately the role of excessive speculation in any contract market within the jurisdiction and control of the Commodity Futures Trading Commission, on or through which energy futures or swaps are traded, and to eliminate excessive speculation, price distortion, sudden or unreasonable fluctuations or unwarranted changes in prices, or other unlawful activity that is causing major market disturbances that prevent the market from accurately reflecting the forces of supply and demand for energy commodities.

IN THE HOUSE OF REPRESENTATIVES

JUNE 26, 2008

Mr. PETERSON of Minnesota (for himself, Mr. VAN HOLLEN, Mr. ETHERIDGE, Mr. BOSWELL, Mr. CARDOZA, Ms. DELAURO, Mr. STUPAK, Mr. LARSON of Connecticut, Mr. WELCH of Vermont, Mr. MATHESON, Mr. MAHONEY of Florida, Mr. BARROW, Mr. MCINTYRE, Mr. HOLDEN, Mr. MILLER of North Carolina, Mr. BUTTERFIELD, Mr. KAGEN, Mr. HODES, Mrs. DAVIS of California, Mr. SHULER, Mr. POMEROY, Mr. FARR, and Mr. LAMPSON) introduced the following bill; which was referred to the Committee on Agriculture

JUNE 26, 2008

Committee on Agriculture discharged; considered and passed

A BILL

To direct the Commodity Futures Trading Commission to utilize all its authority, including its emergency powers, to curb immediately the role of excessive speculation in any contract market within the jurisdiction and control of the Commodity Futures Trading Commission, on

or through which energy futures or swaps are traded, and to eliminate excessive speculation, price distortion, sudden or unreasonable fluctuations or unwarranted changes in prices, or other unlawful activity that is causing major market disturbances that prevent the market from accurately reflecting the forces of supply and demand for energy commodities.

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. SHORT TITLE.**

4 This Act may be cited as the “Energy Markets Emer-

5 gency Act of 2008”.

6 **SEC. 2. ENERGY MARKETS.**

7 (a) FINDINGS.—The Congress finds as follows:

8 (1) The Commodity Futures Trading Commis-

9 sion was created as an independent agency, in 1974,

10 with the mandate to enforce and administer the

11 Commodity Exchange Act, to ensure market integ-

12 rity, to protect market users from fraud and abusive

13 trading practices, and to prevent and prosecute ma-

14 nipulation of the price of any commodity in inter-

15 state commerce.

16 (2) Congress has given the Commodity Futures

17 Trading Commission authority under the Commodity

18 Exchange Act to take necessary actions to address

19 market emergencies.

1 (3) The Commodity Futures Trading Commis-
2 sion may use its emergency authority with respect to
3 any major market disturbance which prevents the
4 market from accurately reflecting the forces of sup-
5 ply and demand for a commodity.

6 (4) Congress has declared, in section 4a of the
7 Commodity Exchange Act, that excessive speculation
8 imposes an undue and unnecessary burden on inter-
9 state commerce.

10 (5) On June 6, 2008, the price of crude oil
11 traded on the New York Mercantile Exchange hit an
12 all-time record of \$139.12 per barrel.

13 (6) The average price of a barrel of crude oil
14 in 2007 was \$72, and the average price of a barrel
15 of crude oil to date in 2008 is \$109.

16 (7) Heating oil futures contracts have risen in
17 price from \$2.97 to \$3.81 during the March through
18 May contract months.

19 (8) United States airlines are forecast to spend
20 \$61,200,000,000 on jet fuel in 2008, which is
21 \$20,000,000,000 more than they spent for jet fuel
22 in 2007.

23 (9) According to the American Automobile As-
24 sociation—

1 (A) families and businesses are paying an
2 average of \$4.07 per gallon for regular gasoline,
3 which is near the all-time high and is more
4 than double the price in 2001; and

5 (B) truckers and farmers are paying an
6 average of \$4.77 per gallon for diesel fuel,
7 which is near the all-time high and triple the
8 price in 2001.

9 (10) During this decade, energy demand has
10 been steadily on the rise in nations such as China
11 and other Asian exporting nations.

12 (11) In a May 2008 report, the International
13 Monetary Fund raised the possibility that specula-
14 tion has played a significant role in the run-up of oil
15 prices, and stated “It is hard to explain current oil
16 prices in terms of fundamentals alone. The recent
17 surge in the oil price seems to go well beyond what
18 would be indicated by the growth of the world econ-
19 omy.”.

20 (b) DIRECTION FROM CONGRESS.—The Commodity
21 Futures Trading Commission shall utilize all its authority,
22 including its emergency powers, to—

23 (1) curb immediately the role of excessive spec-
24 ulation in any contract market within the jurisdic-
25 tion and control of the Commodity Futures Trading

1 Commission, on or through which energy futures or
2 swaps are traded; and

3 (2) eliminate excessive speculation, price distor-
4 tion, sudden or unreasonable fluctuations or unwar-
5 ranted changes in prices, or other unlawful activity
6 that is causing major market disturbances that pre-
7 vent the market from accurately reflecting the forces
8 of supply and demand for energy commodities.

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