

AMENDMENT NO. _____ Calendar No. _____

Purpose: To require the Commodity Futures Trading Commission to ensure that price discovery for oil and gas accurately reflect supply and demand.

IN THE SENATE OF THE UNITED STATES—113th Cong., 1st Sess.

S. 954

To reauthorize agricultural programs through 2018.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. SANDERS

Viz:

1 On page 1150, after line 15, add the following:

2 **SEC. 122 ____ . COMMODITY FUTURES TRADING COMMIS-**
3 **SION REGULATION OF ENERGY MARKETS.**

4 (a) FINDINGS.—Congress finds that—

5 (1) in 1974, the Commodity Futures Trading
6 Commission was established as an independent agen-
7 cy with a mandate—

8 (A) to enforce and administer the Com-
9 modity Exchange Act (7 U.S.C. 1 et seq.);

10 (B) to ensure market integrity;

11 (C) to protect market users from fraud
12 and abusive trading practices; and

1 (D) to prevent and prosecute manipulation
2 of the price of any commodity in interstate
3 commerce;

4 (2) Congress declared in section 4a of the Com-
5modity Exchange Act (7 U.S.C. 6a) that excessive
6 speculation imposes an undue and unnecessary bur-
7 den on interstate commerce;

8 (3) title VII of the Dodd-Frank Wall Street Re-
9 form and Consumer Protection Act (15 U.S.C. 8301
10 et seq.) required the Commission to establish posi-
11 tion limits “to diminish, eliminate, or prevent exces-
12 sive speculation” for trading in crude oil, gasoline,
13 heating oil, diesel fuel, jet fuel, and other physical
14 commodity derivatives by January 17, 2011;

15 (4) according to an article published in Forbes
16 on February 27, 2012, excessive oil speculation
17 “translates out into a premium for gasoline at the
18 pump of \$.56 a gallon” based on a 2012 report from
19 Goldman Sachs;

20 (5) on May 10, 2013—

21 (A) the supply of finished motor gasoline
22 in the United States was higher than the supply
23 was on May 15, 2009, when the national aver-
24 age price for a gallon of regular unleaded gaso-
25 line was less than \$2.30; and

1 (B) demand for finished motor gasoline in
2 the United States was lower than demand was
3 on May 15, 2009;

4 (6) on May 17, 2013, the national average price
5 of regular unleaded gasoline was \$3.62 a gallon, an
6 increase of more \$1.30 per gallon as compared to
7 2009, when finished motor gasoline supplies were
8 lower and demand was higher;

9 (7) the International Energy Agency forecast
10 on May 14, 2013, that the global supply of oil will
11 surge by 8,400,000 barrels per day over the subse-
12 quent 5-year period, a pace that is significantly fast-
13 er than demand, with nearly $\frac{2}{3}$ of that increase oc-
14 ccurring in North America;

15 (8) on November 3, 2011, Gary Gensler, the
16 Chairman of the Commodity Futures Trading Com-
17 mission testified before the Senate Permanent Sub-
18 committee on Investigations that “80 to 87 percent
19 of the [oil futures] market” is dominated by “finan-
20 cial participants, swap dealers, hedge funds, and
21 other financials,” a figure that has more than dou-
22 bled over the prior decade;

23 (9) excessive oil and gasoline speculation is cre-
24 ating major market disturbances that prevent the

1 market from accurately reflecting the forces of sup-
2 ply and demand; and

3 (10) the Commodity Futures Trading Commis-
4 sion has a responsibility—

5 (A) to ensure that the price discovery for
6 oil and gasoline accurately reflects the fun-
7 damentals of supply and demand; and

8 (B) to take immediate action to implement
9 strong and meaningful position limits to regu-
10 lated exchange markets to eliminate excessive
11 oil speculation.

12 (b) ACTIONS.—Notwithstanding any other provision
13 of law, not later than 30 days after the date of enactment
14 of this Act, the Commodity Futures Trading Commission
15 shall use the authority of the Commission (including emer-
16 gency powers, if necessary)—

17 (1) to implement position limits that diminish,
18 eliminate, or prevent excessive speculation in the
19 trading of crude oil, gasoline, heating oil, diesel fuel,
20 jet fuel, and other physical commodity derivatives, as
21 required under title VII of the Dodd-Frank Wall
22 Street Reform and Consumer Protection Act (15
23 U.S.C. 8301 et seq.); and

24 (2) to curb immediately the role of excessive
25 speculation in any contract market within the juris-

1 diction and control of the Commission, on or
2 through which energy futures or swaps are traded.