

U.S. House of Representatives
Committee on Agriculture

Amendment submitted in advance (numbered in order received)

Amendment #: 001

Submitted by Rep. Goodlatte

Goodlatte Amendment

To ensure that markets operate in an orderly manner, the amendment encourages the efforts of the Commodity Futures Trading Commission (CFTC) to continue to review the relationship of long queues for the delivery of aluminum at warehouses to the pricing of aluminum, and how those issues impact market integrity and market participants. The persistence of long disruptive market queues for the delivery of aluminum at warehouses in the United States licensed overseas has attracted considerable concern.

Specifically, the amendment directs the Commodity Futures Trading Commission (CFTC) within 90 days of enactment, to report to Congress regarding the on-going review of Foreign Board of Trade applications of metals exchanges and the status of its negotiations with foreign regulators regarding aluminum warehousing. Such status reports shall inform the CFTC in determining Foreign Boards of Trade status for metals exchange applications, and such metals exchange Foreign Board of Trade determination shall be made no later than September 30, 2016.

AMENDMENT TO H.R. _____
OFFERED BY MR. GOODLATTE OF VIRGINIA

Page ____, after line ____, insert the following:

1 **SEC. ____ . REPORT ON STATUS OF ANY APPLICATION OF**
2 **METALS EXCHANGE TO REGISTER AS A FOR-**
3 **EIGN BOARD OF TRADE; DEADLINE FOR AC-**
4 **TION ON APPLICATION.**

5 (a) **REPORT TO CONGRESS.**—Within 90 days after
6 the date of the enactment of this section, the Commodity
7 Futures Trading Commission shall submit to the Congress
8 a written report on—

9 (1) the status of the review by the Commission
10 of any application submitted by a metals exchange
11 to register with the Commission under section
12 4(b)(1) of the Commodity Exchange Act; and

13 (2) the status of Commission negotiations with
14 foreign regulators regarding aluminum warehousing.

15 (b) **DEADLINE FOR ACTION.**—Not later than Sep-
16 tember 30, 2016, the Commission shall take action on any
17 such application submitted to the Commission on or before
18 August 14, 2012.

At the appropriate place in the Committee Report, insert the following: “The Committee is well aware of the persistence of long queues for delivery of aluminum at warehouses in the United States licensed by the London Metals Exchange (LME). Such queues have attracted considerable regulatory and Congressional oversight and potentially regulatory enforcement inquiries. Queues are also problematic in warehouses in non-US warehouses licensed by the LME. The Committee is encouraged that as part of their review of LME’s foreign board of trade application, the Agency has deferred action until further review and stated that it will continue to monitor and analyze progress toward eliminating disruptive queues. The Committee recognizes and encourages the efforts of the CFTC to continue to review the relationship of long queues for delivery of aluminum at warehouses to the pricing of aluminum, and how those issues impact market integrity and market participants. Given the continuing interest of the Committee in seeing this commodity market act as a place of transparent price discovery, we urge the CFTC to continue working domestically and with foreign regulators toward eliminating persistent and disruptive market queues. The Committee also recognizes the overseas regulators’ oversight responsibility to ensure warehousing arrangements are operating in a way that

enable regulators to satisfy their regulatory obligations, including the obligation to ensure that markets operate in an orderly manner. Given the continuing interest of the Committee, as expressed in the legislation, it is the intent of the legislation to exercise appropriate Congressional oversight and support the CFTC in its important review. The legislation requires an action by the CFTC on LME's FBOT application no later than September 30, 2016."

